



The UNITED INSURANCE
COMPANY OF PAKISTAN LTD.
A Member Company of United International Group



YOUR RISK IS SECURE WITH US

Rated "A+" by PACRA

Annual Report 2014

55
Years
of Excellence

UIG
Group of Companies

We are
committed

to Perfect Execution, a cultural shift toward continuous improvement in the way we work with our customers and each other to solve our customers' needs.

WITH YOU, EVERY STEP OF THE WAY



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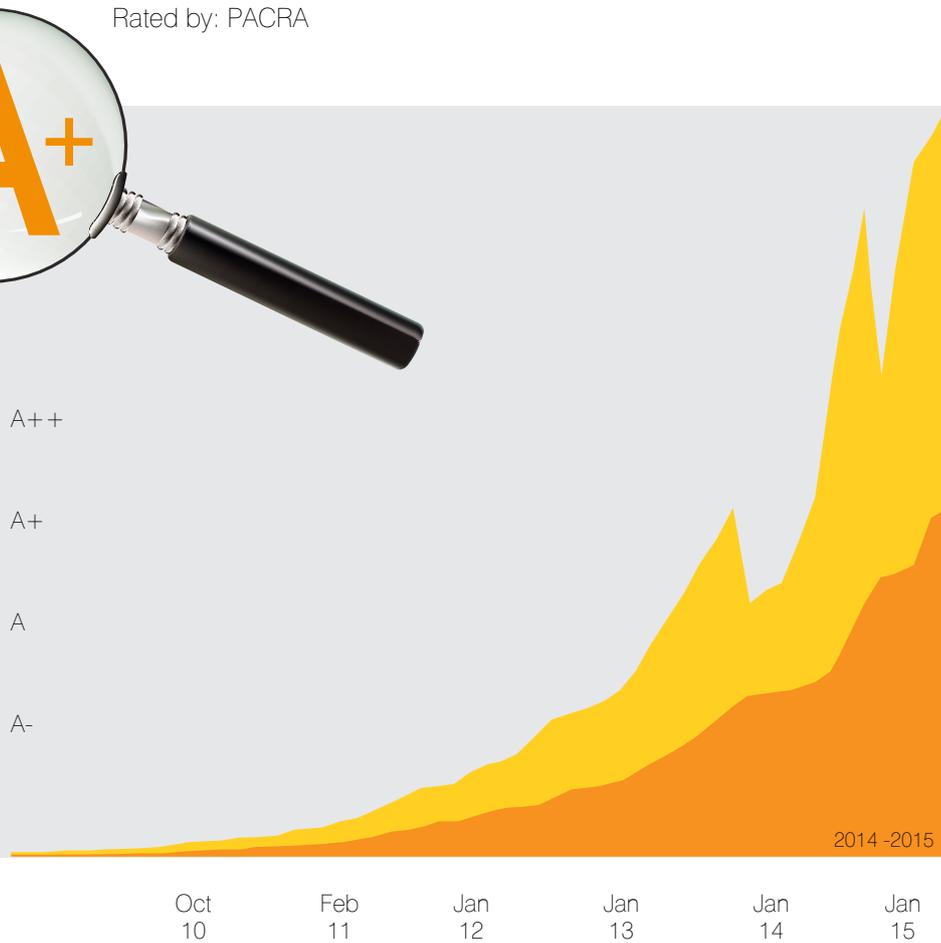
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COMPANY INFORMATION

In achieving our environmental goals, we rely on the engagement of our employees and the growing awareness of society at large.



- We continued our focus on customer centricity and sustainability.
- UIC and Amaan Takaful posted 2014 underlying gross premiums and contributions written in a challenging environment:
 - Conventional Business Rs. 2,474.744 million
 - Window Takaful Operations Rs. 123.727 million
- Capital and liquidity positions improved.
- UIC continued to de-risk, streamline its portfolio and strengthen its business lines.

Financial Performance- At a Glance Conventional Business

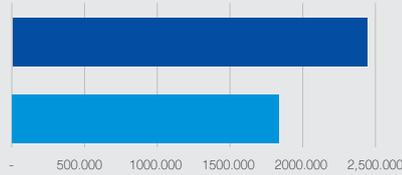
Gross Premiums written

(Million)

2014	2,474.744
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2013	1,723.743
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Percentage **44** ↑



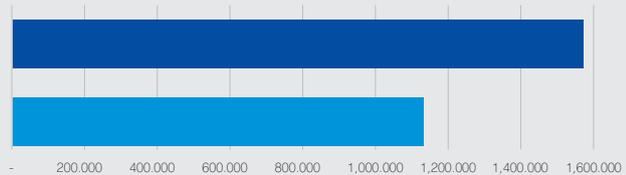
Net Premium

(Million)

2014	1,536.703
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2013	1,108.541
------	-----------

Percentage **39** ↑



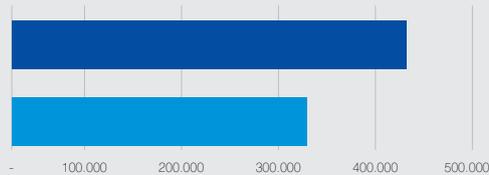
Net Claims

(Million)

2014	419.432
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2013	323.083
------	---------

Percentage **30** ↑



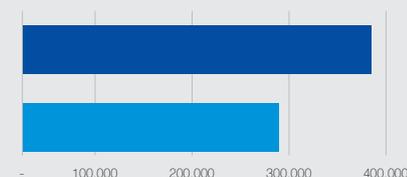
Management Expenses

(Million)

2014	377.600
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2013	286.871
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Percentage **32** ↑

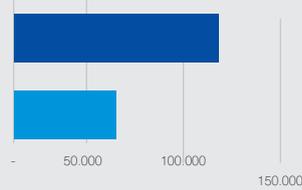


Financial Performance- At a Glance

Conventional Business

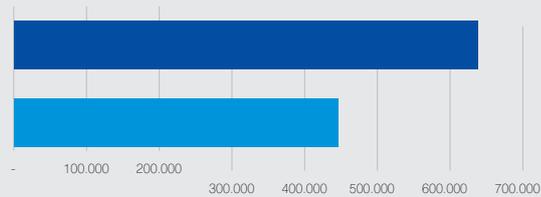
Net Commission

	(Million)
2014	110.597
2013	61.707
Percentage	79 ↑



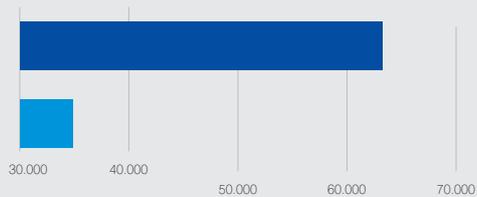
Underwriting Profit

	(Million)
2014	629.074
2013	436.881
Percentage	44 ↑



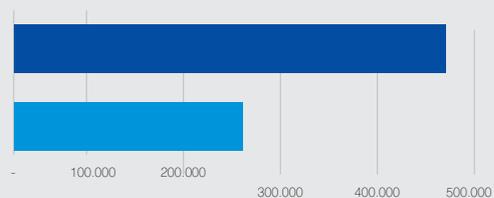
Investment Income

	(Million)
2014	63.404
2013	34.689
Percentage	83 ↑



Profit After Tax

	(Million)
2014	460.887
2013	257.380
Percentage	79 ↑



United International Group



1. The United Insurance Company of Pakistan Limited.
2. United Amaan Takaful.
3. APNA Micro Finance Bank Limited.
4. United Track System (Pvt.) Limited.
5. United Software & Technologies International (Pvt.) Limited.
6. United International Farms.
7. Tawasul Risk Management Services (Pvt.) Limited.
8. Tawasul Insurance Services LLC, Abu Dhabi.
9. UIG Global Services Limited. UK.



www.uig.com.pk

Corporate Calendar 2014



April 04, 2014

Audit Committee and Board of Directors meeting to consider annual accounts of the Company for the year ended December 31, 2013.

April 28, 2014

Annual General Meeting of members to consider annual accounts of the Company for year ended December 31, 2013 and dividend announcement.

April 30, 2014

Audit Committee and Board of Directors meeting to consider quarterly accounts of the Company for the quarter ended March 31, 2014.

June 12, 2014

Extra Ordinary General meeting of members to consider change in memorandum and articles of association to conduct window takaful operations.

August 27, 2014

Audit Committee and Board of Directors meeting to consider quarterly accounts of the Company for the quarter ended June 30, 2014.

October 30, 2014

Audit Committee and Board of Directors meeting to consider quarterly accounts of the company for the quarter ended September 30, 2014.

December 26, 2014

Extra Ordinary General meeting of members to consider and approve investment in associate APNA Micro Finance Bank Limited.

Our Network

North Region

Islamabad
Rawalpindi
Peshawar
Azad Kashmir

South Region

Karachi
Hyderabad
Multan
Rahim yar khan



Our Network

East Region

Lahore
Sahiwal
Faisalabad
Gujranwala
Sialkot

West Region

Quetta
Ziarat



Core Beliefs

UIC believes in providing high quality solutions to risk exposures to the fulfillment of its customers through:

- Surpassing the values throughout the entire organization. These principles will guide us to succeed in our business, and will serve us well ahead into the future from day-to-day business operation to product development and customer services.
- Building the team that takes responsibility for the delivery of our services. By developing our technical & marketing staff, who may deliver services competently. Also give them a sense of pride in the Company.
- Believing that by being pro-active and meeting the changing needs of our clients through value – added products and services, meeting the aspirations of all our stakeholders.
- Also believing that quality of work is the key factor in an organization. So, continuous quality improvements shall be the key drivers in our management processes.
- Our commitment to integrity, customer centricity, sustainable value creation, excellence and teamwork fosters trust with our shareholders and our customers. It nurtures talent and mitigates internal risks through openness and transparency. It helps us secure the support of regulators and the investment community. It nurtures talent and mitigates internal risks through candor and transparency. It helps us secure the support of regulators and the investment community.

» Integrity

To treat everyone fairly and honestly. To comply with all applicable laws, regulations and internal policies.

» Customer centricity

To put our customers at the heart of all we do. We utilize of our global scale experience to convert insights and observations into useful ideas that we put to work for our customers.

» Sustainable value creation

To create and sustain value for our customers, our shareholders, our people and society. To maintain a culture of precision, stability and reliability that instills confidence and trust in our commitment to deliver when it matters – now and in the future. A key component of sustainable value creation, and indeed of all our values, is our commitment to a high standard of corporate responsibility.

» Excellence

To aim for the highest quality and strive for continuous improvement in all that we do. Find new ways of solving problems. To test what we do and how we do it for fairness, diversity, trust, and mutual respect.

» Teamwork

To work together as one team...one Zurich. Collaborating and applying our global insights to deliver the best for our stakeholders. Value our diverse, talented workforce; and support them so that they can contribute to their full potential.

Vision Statement



A first class Insurance Company / Window Takaful operator to provide cost effective risk management solutions to its policy-holders / participants through highest level of quality.

Mission Statement



For our customers

- To provide superior services through high quality business solutions and health protection, based on expert advice and financial management and adding value to the all corporate and non corporate customers.

For our Members

- To maximize the members' value by optimum utilization of resources.

For our Employees

- To provide opportunities for self-development in a highly challenging Performance oriented work environment.

For the Society

- To ensure good governance by maintaining high ethical standards and risk coverage.

For the Government

- Prompt and timely liquidation of liabilities and adherence to the policies established.



INVESTOR INFORMATION

Board of Directors

We are not just another
INSURANCE COMPANY.
We are a success partner and
a trusted friend, and we are
building a better tomorrow.



Mian M.A. Shahid
Advisor to Board / (Chairman UIG)



Ch. Habib-Ur-Rehman
Chairman



Mohammed Rahat Sadiq
CHIEF EXECUTIVE



Khawas Khan Niazi
DIRECTOR/PRESIDENT



Huma Waheed
DIRECTOR



Ch. Najeeb-ur-Rehman
DIRECTOR



Ch. Aziz-ur Rehman
DIRECTOR



Ch. Maqsood Ahmed
DIRECTOR

Corporate Information

CHAIRMAN
CHIEF EXECUTIVE OFFICER
DIRECTOR /PRESIDENT
DIRECTORS

Chaudhary Habib-Ur-Rehman
Mohammed Rahat Sadiq
Khawas Khan Niazi
Huma Waheed
Chaudhary Najeeb-ur-Rehman
Chaudhary Aziz-ur-Rehman
Chaudhary Maqsood Ahmed

ADVISOR TO BOARD

Mian M.A.Shahid (Chairman UIG)

ADVISORS

Maj. General (R) Asif Duraiz Akhtar
Naseer Ahmed
(Former Member Revenue CBR, Former Additional Secretary Military Finance,
Former Additional Secretary Finance)

Sardar Khan
(Former Managing Director Universal Insurance Company Limited.)

DEPUTY MANAGING DIRECTOR/COMPANY
SECRETARY

Zia Hassan Zuberi

CHIEF FINANCIAL OFFICER

Maqbool Ahmed

CHIEF INTERNAL AUDITOR

Abdul Mannan Munir (ACCA)

AUDITORS

M/S. Avais Hyder Liaquat Nauman
Chartered Accountants

LEGAL ADVISORS

Mohammed Farooq Sheikh (Advocate)
Mian Asghar Ali (Advocate)

TAX ADVISOR

M/S. Sarwars
Chartered Accountants

CREDIT RATING AGENCY (PACRA)

INSURER FINANCIAL STRENGTH **A+** (Single A plus)
The Rating Denotes a capacity of the company to
meet policy holder and contract obligations

COMPANY'S SHARE REGISTRAR

M/S. F.D.Registar Services(SMC-Pvt) Ltd.
1705, 17th Floor, Saima Trade Center, I.I.Chundrigar
Road-Karachi.

WEB PRESENCE

www.theunitedinsurance.com

REGISTERED OFFICE

204, 2nd Floor, Madina City Mall,
Abdullah Haroon Road, Saddar Karachi.
Tel:021-35621460-2,021-35221803-4
Fax 021-35621459
Email:info@theunitedinsurance.com

HEAD OFFICE

UIG House, 6-D Upper Mall, Lahore
Tel:042-35776475, 35776486
UAN:(92-42)-111-000-014
Fax(92-42) 35776486, 35776487
Email: uicp@theunitedinsurance.com

Corporate Information

AUDIT COMMITTEE

CHAIRMAN	Chaudhary Maqsood Ahmed
MEMBER	Chaudhary Aziz-ur-Rehman
MEMBER	Chaudhary Najeeb-ur-Rehman

HUMAN RESOURCE & REMUNERATION COMMITTEE

CHAIRMAN	Chaudhary Habib-ur-Rehman
MEMBER	Chaudhary Najeeb-ur-Rehman
MEMBER	Chaudhary Maqsood Ahmed
MEMBER	Mohammed Rahat Sadiq

INVESTMENT COMMITTEE

CHAIRMAN	Mohammed Rahat Sadiq
MEMBER	Khawas Khan Niazi
MEMBER	Huma Waheed
MEMBER	Maqbool Ahmed
MEMBER	Zia Hassan Zuberi

RE-INSURANCE COMMITTEE & CO-INSURANCE

CHAIRMAN	Mohammed Rahat Sadiq
MEMBER	Abrar Ahmed Minhas
MEMBER	Tayyab Bashir

UNDER WRITING COMMITTEE

CHAIRMAN	Mohammed Rahat Sadiq
MEMBER	Chaudhary Najeeb-ur-Rehman
MEMBER	S.M. Qaiser Imam

CLAIMS SETTLEMENT COMMITTEE

CHAIRPERSON	Huma Waheed
MEMBER	Mohammed Rahat Sadiq
MEMBER	Mohammed Yasin Khan

Key Management Personnel

CONVENTIONAL BUSINESS

Head of Conventional Business

Sr. Executive Director Underwriting

Head of Corporate Compliance

Sr. General Manager Re-Insurance

General Manager (HR & R)

General Manager Administration

General Manager Operations

General Manager Claims

General Manager (I.T)

A.G.M Underwriting

A.G.M Reinsurance

A.G.M Health/Travel

Chief Manager (Web)

Deputy Chief Manager Agriculture

Manager Coordination

Tajammal Iqbal

S.m. Qaiser Imam

Rahat Ali Shah (ACA),(CISA)

Abrar Ahmed Minhas

Wakeel Ahmed Mirza

Jamil Ahmed

Tayyab Bashir

Muhammed Yasin Khan

Munir Ahmed

Manzoor Husaain Mirza

Naeem Ahmed Babar

Kashif Shafique

Mohammed Arshad

Zulfiqar Ahmed

Tahira Ashar

WINDOW TAKAFUL OPERATIONS

Head of Takaful Operations

Shariah Advisor

Joint Director Operations & Technical

Shariah Compliance Officer

Shakeel Ahmed

Mufti Zeeshan Adul Aziz

Amir Hameed

Saad Munir Malik

EXECUTIVE DIRECTORS

Qamar-uz-Zaman

Mian M.A Zahid

Zarar Ahmed Butt

Mian Kashif Rasheed

Ch. Aslam Feroz

Mohammed Siddique Sheikh

Rizwan-UI-Haq

JOINT DIRECTORS

Aslam Rajpoot

Mohammed Naseem Butt

Salman-UI-Haq

Khurram Mansoor

Malik Zafar Yousaf

Mian Mohammed Rafi

Mohammed Mazhar Shah

Mohammed Riaz Hussain Shah

Kh. Adnan Hassan

Shafaqat Ali Goraya

Bankers & Leasing Companies

BANKS

State Bank of Pakistan
 National Bank of Pakistan Limited
 Bank Al-Habib Limited
 Soneri Bank Limited
 Bank Al-Falah Limited
 KASB Bank Limited
 Meezan Bank Limited
 NIB Bank Limited
 SME Bank Limited
 The Bank of Khyber
 Summit Bank Limited
 Silk Bank Limited
 Samba Bank Limited
 Zarai Taraqati Bank Limited
 Sindh Bank Limited
 The Bank of Punjab
 First Women Bank Limited
 The Punjab Provincial Cooperative Bank Limited
 Allied Bank Limited
 Habib Bank Limited
 MCB Bank Limited
 United Bank Limited
 Al Baraka Bank (Pakistan) Limited
 Askari Bank Limited
 Burj Bank Limited
 Dubai Islamic Bank Pakistan Limited
 Faysal Bank Limited
 Standard Chartered Bank (Pakistan) Limited
 Barclays Bank PLC, Pakistan
 Habib Metropolitan Bank Limited
 Karakoram Co-Operative Bank Limited
 Industrial Development Bank of Pakistan
 JS Bank Limited

LEASING COMPANIES

Orix Leasing Company Limited
 Crescent Standard Modaraba

MICRO FINANCE BANKS

APNA Micro Finance Bank Limited
 FINCA Micro Finance Bank Limited
 Khushhali Bank Limited
 Pak-Oman Micro Finance Bank Limited
 The First Micro Finance Bank Limited
 Waseela Micro Finance Bank Limited
 U Micro Finance Bank Limited
 Tameer Micro Finance Bank Limited

United Insurance at a Glance

- United Insurance is a member Company of “United International Group”.
- Operating Since 1959, dealing in all areas of General Insurance business.
- One of the premier general insurance companies of Pakistan.
- First Window Takaful Operator of Pakistan
- Rated “**A+**” which signifies very high financial capacity to meet policy holders intent and our contract obligations.
- Very strong Reinsurance arrangements with world renowned reinsurers.
- Focused on prompt settlement of claims
- Extending success into new challenges

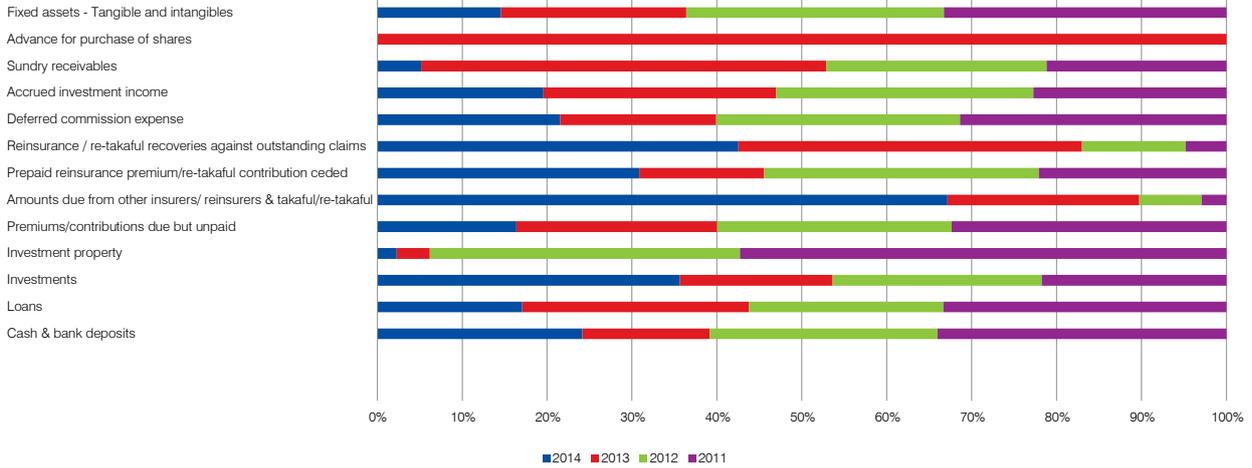
Six Years at a Glance

SIX YEARS AT A GLANCE	(RUPEES IN MILLION)					
	2014	2013	2012	2011	2010	2009
Financial Data						
Paid up Capital	920.000	701.943	570.685	496.248	400.200	345.000
General & Capital Reserves	765.121	519.509	393.776	269.896	267.801	204.824
Equity	1,645.023	1,180.459	918.397	764.809	666.805	548.344
Waqf/Participants' Takaful Fund - (PTF)	1.441	-	-	-	-	-
Underwriting Provisions	2,565.320	1,516.492	886.506	502.906	383.991	301.262
Investment at Cost	642.626	418.404	189.671	115.398	93.945	52.491
Total Assets book value	4,917.120	3,008.203	2,077.732	1,444.772	1,238.126	1,018.322
Fixed Assets net	631.432	580.294	573.757	444.335	394.930	351.490
Cash & Bank Deposits	655.283	249.656	307.399	271.519	251.676	218.843
Advance, Deposits & Prepayments	2,987.779	1,765.760	1,008.823	613.521	497.575	395.498
Operating Data-Conventional Business						
Gross Premium	2,474.744	1,723.743	1,422.915	1,030.438	845.547	715.031
Net Premium	1,536.703	1,108.541	783.340	643.736	550.559	423.731
Net Claims expenses	419.432	323.083	245.413	262.777	175.550	121.560
Underwriting Profit	629.074	436.881	302.862	231.626	277.226	205.472
Investment Income	63.404	34.689	41.167	18.085	21.023	10.824
Profit Before Tax	507.936	290.554	187.484	114.473	133.537	72.792
Income Tax	47.049	33.175	26.364	16.540	15.150	8.370
Profit After Tax	460.887	257.380	161.120	97.933	118.387	64.421
Management Expenses	377.600	286.871	201.896	116.919	75.826	59.936
OPERATING & FINANCIAL DATA - WINDOW TAKAFUL						
Participant's Takaful Fund						
Gross Contribution	123.727	-	-	-	-	-
Net Contribution	3.387	-	-	-	-	-
Net Claims expenses	2.396	-	-	-	-	-
Management Expenses	0.475	-	-	-	-	-
Surplus from PTF Fund	0.885	-	-	-	-	-
Operator's Fund						
Wakala Fee	49.681	-	-	-	-	-
Commission expense	0.648	-	-	-	-	-
Management Expenses	16.033	-	-	-	-	-
Net Profit	28.456	-	-	-	-	-
Statutory Fund	50.000	-	-	-	-	-
Financial Ratios						
Profit Before Tax / Gross Premium (%)	20.525	16.856	13.176	11.109	15.793	10.180
Profit Before Tax / Net Premium (%)	33.054	26.210	23.934	17.783	24.255	17.179
Profit After Tax / Gross Premium (%)	18.624	14.931	11.323	9.504	14.001	9.010
Profit After Tax / Net Premium (%)	29.992	23.218	20.568	15.213	21.503	15.203
Management Exp. / Gross Premium (%)	15.258	16.642	14.189	11.346	8.968	8.382
Management Exp. / Net Premium (%)	24.572	25.878	25.774	18.162	13.773	14.145
Underwriting Profit / Net Premium (%)	40.937	39.410	38.663	35.982	50.354	48.491
Net Claims / Net Premium (%)	27.294	29.145	31.329	40.821	31.886	28.688
Return on Assets (%)	9.373	8.556	7.755	6.778	9.562	6.326
FINANCIAL RATIOS - WINDOW TAKAFUL						
Participant's Takaful Fund						
Surplus from PTF Fund/ Gross Contribution (%)	7.150	-	-	-	-	-
Surplus from PTF Fund/ Net Contribution (%)	26.129	-	-	-	-	-
Management Exp. / Gross Contribution (%)	3.840	-	-	-	-	-
Management Exp. / Net Contribution (%)	14.025	-	-	-	-	-
Surplus from PTF Fund / Net Contribution (%)	26.129	-	-	-	-	-
Net Claims / Net Contribution (%)	70.741	-	-	-	-	-
Operator's Fund						
Net Profit/ Wakala Fee (%)	57.277	-	-	-	-	-
Management Exp. / Wakala Fee (%)	32.272	-	-	-	-	-
Commission Expenses / Wakala Fee (%)	1.304	-	-	-	-	-
Return To Members						
Return on Equity - PBT (%)	30.877	24.614	20.414	14.968	20.026	13.275
Return on Equity - PAT (%)	28.017	21.803	17.544	12.805	17.754	11.748
Earning Per Share (Rs.)	5.010	2.798	1.751	1.064	1.287	0.700
Price Earning Ratio (times)	5.579	5.076	7.423	4.462	5.284	13.567
Market Value at end of Year (Rs.)	27.950	14.200	13.000	4.750	6.800	9.500
Highest Value during the Year (Rs.)	30.450	17.830	16.200	8.490	11.890	15.930
Lowest Value during the year (Rs.)	12.710	8.070	4.600	3.600	4.020	5.360
Stock Dividend Per Share (Rs.)	4.000	3.100	2.300	1.500	2.400	1.600
Net Assets Per Share (times)	53.447	42.858	36.413	29.114	30.938	29.517
Liquidity / Leverage Ratio						
Current Ratio (times)	1.157	1.182	1.294	1.515	1.622	1.638
Total Assets Turnover (times)	1.987	1.745	1.460	1.402	1.464	1.424
Fixed Assets Turnover (times)	0.255	0.337	0.403	0.431	0.467	0.492
Total Liability / Equity (times)	1.948	1.514	1.212	0.887	0.855	0.460
Return on Capital Employed (%)	30.877	24.614	20.414	14.968	20.026	13.275
Paid up Capital / Total Assets (%)	18.710	23.334	27.467	34.348	32.323	33.879
Equity / Total Assets (%)	33.455	39.241	44.202	52.936	53.856	53.848
Distribution						
Bonus Share (Rs.)	4.000	3.100	2.300	1.500	2.400	1.600
Bonus Share (%)	40%	31%	23%	15%	24%	16%
Total Distributions (%)	40%	31%	23%	15%	24%	16%

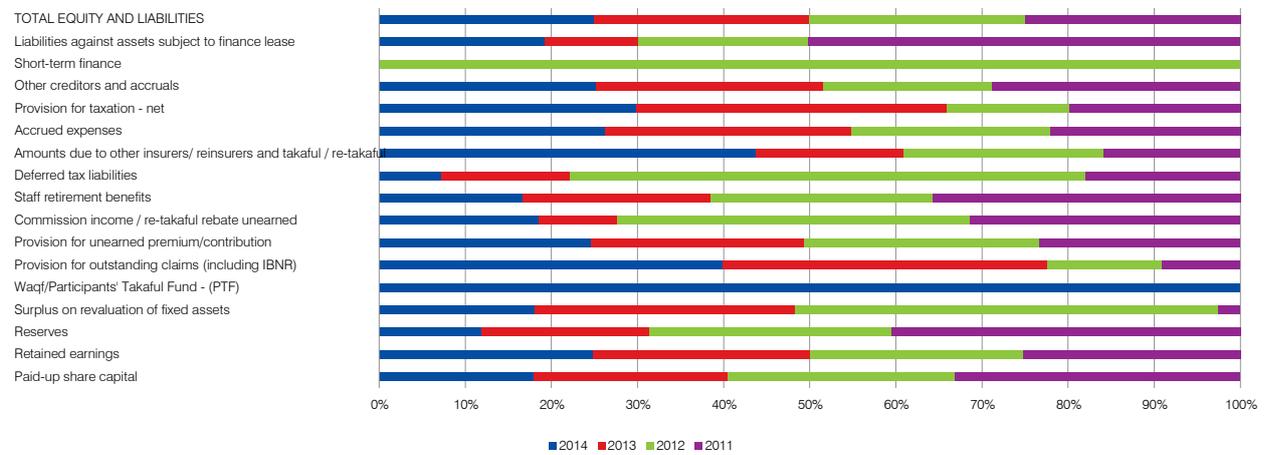
Vertical Analysis

	YEARS			
	2014	2013	2012	2011
Balance Sheet Items				
Cash & bank deposits	13.3%	8.3%	14.8%	18.8%
Loans	0.2%	0.3%	0.3%	0.4%
Investments	13.1%	6.6%	9.0%	8.0%
Investment property	0.1%	0.1%	1.0%	1.5%
Premiums/contributions due but unpaid	10.5%	15.2%	17.8%	20.9%
Amounts due from other insurers/ reinsurers & takaful/re-takaful	14.4%	4.8%	1.6%	0.6%
Prepaid reinsurance premium/re-takaful contribution ceded	12.0%	5.7%	12.6%	8.6%
Reinsurance / re-takaful recoveries against outstanding claims	19.0%	18.1%	5.5%	2.1%
Deferred commission expense	2.8%	2.4%	3.8%	4.1%
Accrued investment income	0.6%	0.9%	1.0%	0.7%
Sundry receivables	1.2%	11.2%	6.1%	5.0%
Advance for purchase of shares	0.0%	7.1%	0.0%	0.0%
Fixed assets - Tangible and intangibles	12.8%	19.2%	26.6%	29.2%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%
Paid-up share capital	18.7%	23.3%	27.5%	34.3%
Retained earnings	13.2%	13.4%	13.1%	13.4%
Reserves	1.5%	2.5%	3.6%	5.2%
Surplus on revaluation of fixed assets	0.8%	1.4%	2.2%	0.1%
Waqf/Participants' Takaful Fund - (PTF)	0.0%	0.0%	0.0%	0.0%
Provision for outstanding claims (including IBNR)	21.8%	20.6%	7.3%	4.9%
Provision for unearned premium/contribution	29.0%	29.2%	32.3%	27.5%
Commission income / re-takaful rebate unearned	1.4%	0.7%	3.1%	2.4%
Staff retirement benefits	1.3%	1.7%	1.9%	2.7%
Deferred tax liabilities	0.1%	0.3%	1.2%	0.3%
Amounts due to other insurers/ reinsurers and takaful / re-takaful	7.9%	3.1%	4.2%	2.9%
Accrued expenses	0.6%	0.6%	0.5%	0.5%
Provision for taxation - net	0.8%	1.0%	0.4%	0.5%
Other creditors and accruals	1.6%	1.6%	1.2%	1.8%
Short-term finance	0.0%	0.0%	0.2%	0.0%
Liabilities against assets subject to finance lease	1.3%	0.8%	1.4%	3.5%
TOTAL EQUITY AND LIABILITIES	100.0%	100.0%	100.0%	100.0%
Profit And Loss Account				
Net premium	100%	100%	100%	100%
Net claims	-27.3%	-29.1%	-31.3%	-40.8%
Management expenses	-24.6%	-25.9%	-25.8%	-13.9%
Net commission	-7.2%	-5.6%	-4.2%	-5.0%
Investment income	4.1%	3.1%	5.3%	2.8%
Rental income	0.1%	0.1%	0.1%	0.1%
Other income	2.05%	1.83%	0.85%	0.83%
Share of Loss from associate	-0.02%	0.00%	0.00%	0.00%
Income from Window Takaful Operations	1.85%	0.00%	0.00%	0.00%
General & admin expenses	-15.5%	-18.0%	-20.4%	-25.1%
Finance charge on lease rentals	-0.5%	-0.3%	-0.6%	-1.1%
Provision for taxation	-3.1%	-3.0%	-3.4%	-2.6%
(Profit)/ loss after Tax	-30.0%	-23.2%	-20.6%	-15.2%
	100.0%	100.0%	100.0%	100.0%

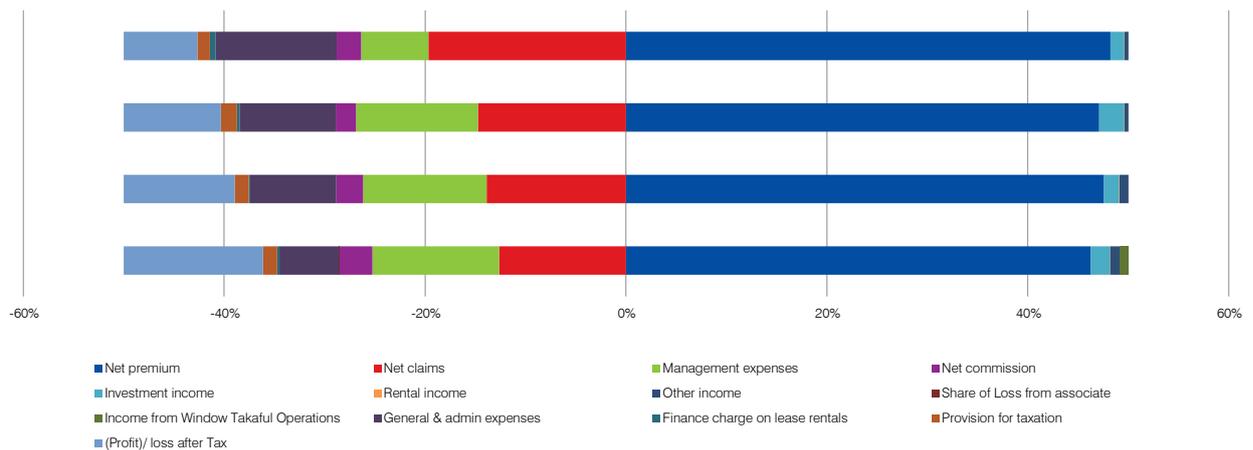
Balance Sheet Analysis - Assets
Vertical



Balance Sheet Analysis - Liabilities & Equity
Vertical



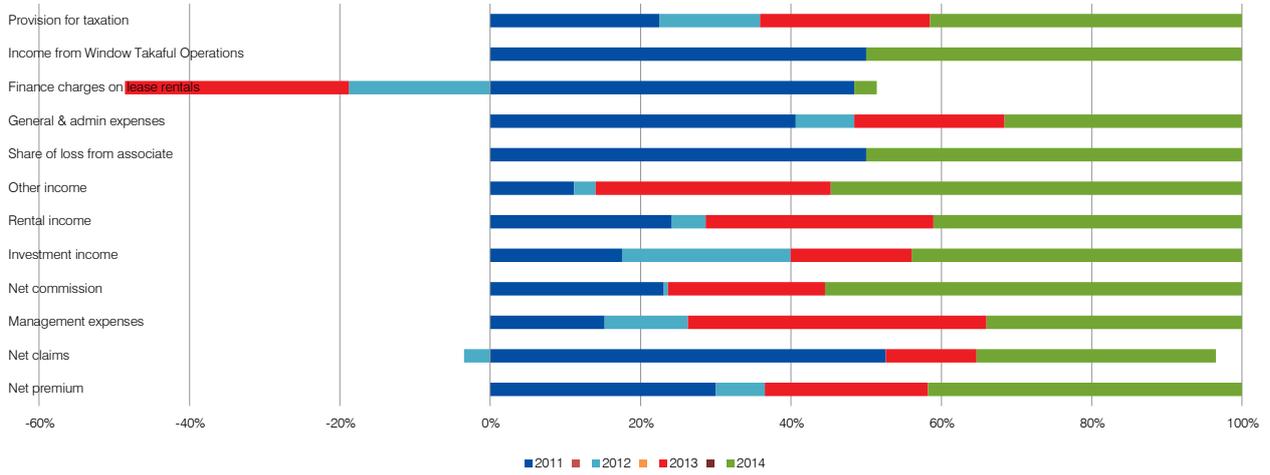
Profit & Loss Account
Vertical



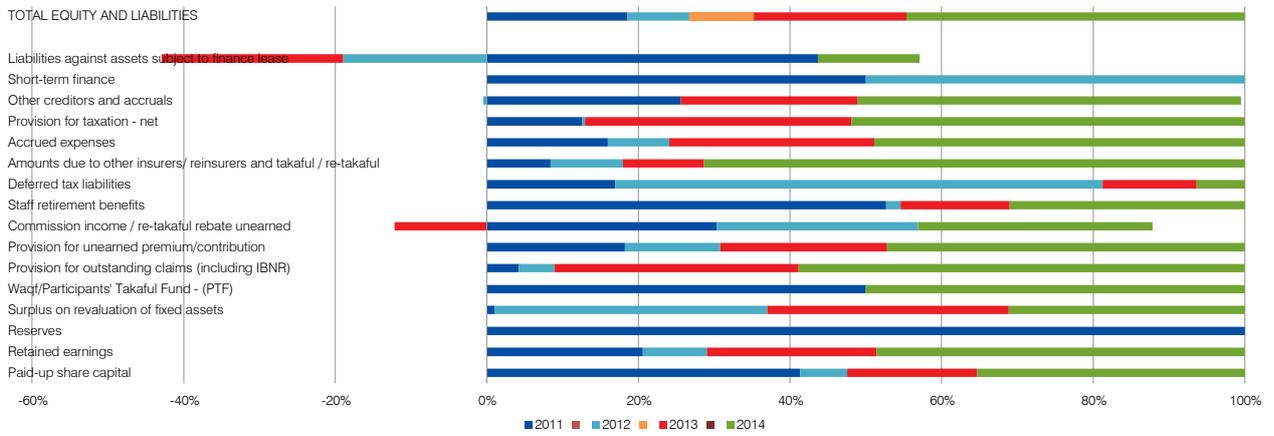
Horizontal Analysis

	YEARS			
	2011	2012	2013	2014
Balance Sheet Items				
Cash & bank deposits	100	13.21	(8.05)	141.34
Loans	100	(1.14)	66.75	74.16
Investments	100	62.70	257.45	456.88
Investment property	100	(8.24)	(85.78)	(86.49)
Premiums/contributions due but unpaid	100	22.71	51.95	71.93
Amounts due from other insurers/ reinsurers & takaful/re-takaful	100	(63.57)	1,514.65	7,757.68
Prepaid reinsurance premium/re-takaful contribution ceded	100	110.69	38.89	375.33
Reinsurance / re-takaful recoveries against outstanding claims	100	265.54	1,651.01	2,909.72
Deferred commission expense	100	31.62	22.04	133.38
Accrued investment income	100	91.82	150.58	193.02
Sundry receivables	100	(92.48)	71.62	(15.92)
Advance for purchase of shares	100	-	100.00	-
Fixed assets - Tangible and intangibles	100	31.10	36.73	48.88
TOTAL ASSETS	100	43.91	108.31	240.51
Paid-up share capital	100	15.00	41.45	85.39
Retained earnings	100	40.92	108.53	235.96
Reserves	100	-	-	-
Surplus on revaluation of fixed assets	100	3,350.60	2,970.71	2,903.70
Waqf/Participants' Takaful Fund - (PTF)	100	-	-	100.00
Provision for outstanding claims (including IBNR)	100	112.49	767.38	1,400.86
Provision for unearned premium/contribution	100	68.80	120.85	258.90
Commission income / re-takaful rebate unearned	100	87.78	(40.23)	101.97
Staff retirement benefits	100	3.62	27.32	58.90
Deferred tax liabilities	100	379.32	73.30	37.43
Amounts due to other insurers/ reinsurers and takaful / re-takaful	100	113.82	127.20	849.27
Accrued expenses	100	50.53	169.16	305.99
Provision for taxation - net	100	2.69	278.94	412.02
Other creditors and accruals	100	(1.87)	91.24	197.59
Short-term finance	100	100.00	-	-
Liabilities against assets subject to finance lease	100	(43.39)	(54.79)	30.69
TOTAL EQUITY AND LIABILITIES	100	43.91	108.31	240.51
Net premium	100	21.69	72.20	139.24
Net claims	100	(6.61)	22.95	60.53
Management expenses	100	72.68	260.79	223.37
Net commission	100	2.33	90.37	240.06
Investment income	100	127.62	91.81	250.58
Rental income	100	18.60	125.39	169.77
Other income	100	25.99	281.05	491.17
Share of loss from associate	100	-	-	100.00
General & admin expenses	100	19.12	49.17	77.73
Finance charges on lease rentals	100	(38.86)	(61.45)	6.20
Income from Window Takaful Operations	100	-	-	100.00
Provision for taxation	100	59.39	100.57	184.45

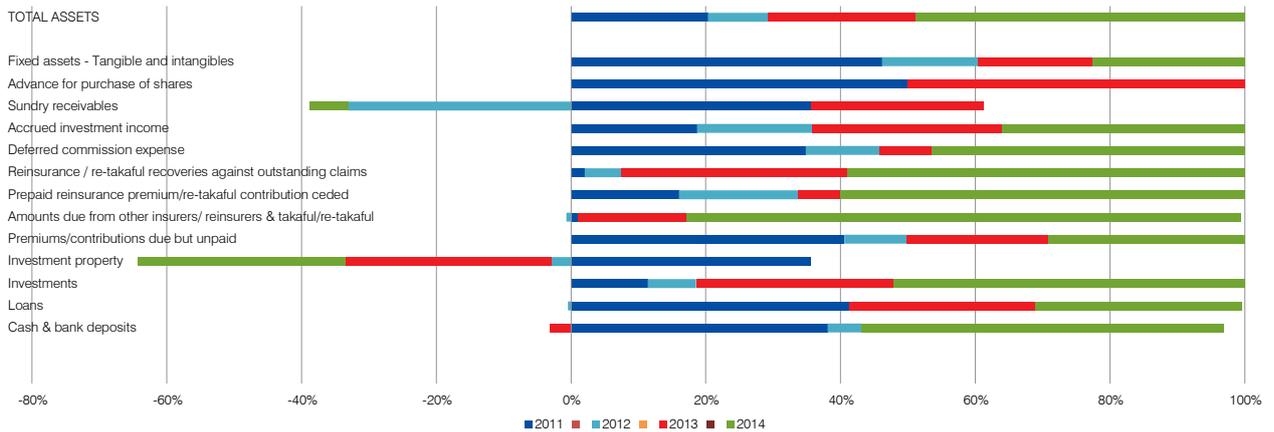
Balance Sheet Analysis - Assets
Horizontal



Balance Sheet Analysis - Equity & Liabilities
Horizontal



Profit & Loss Account
Horizontal



Segmentwise Outline Fire-Conventional Business



Riot and Strike Damage

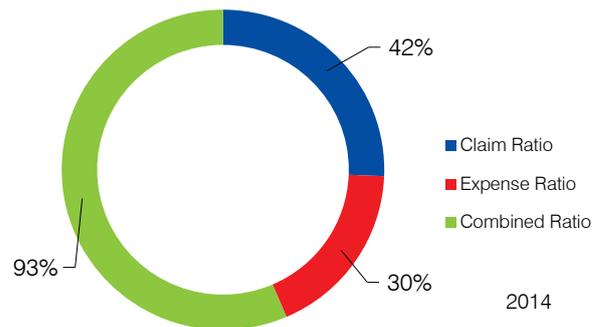
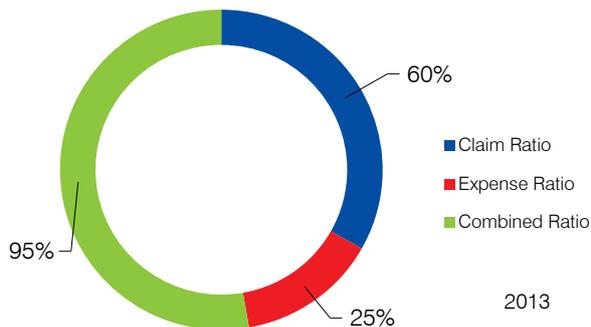
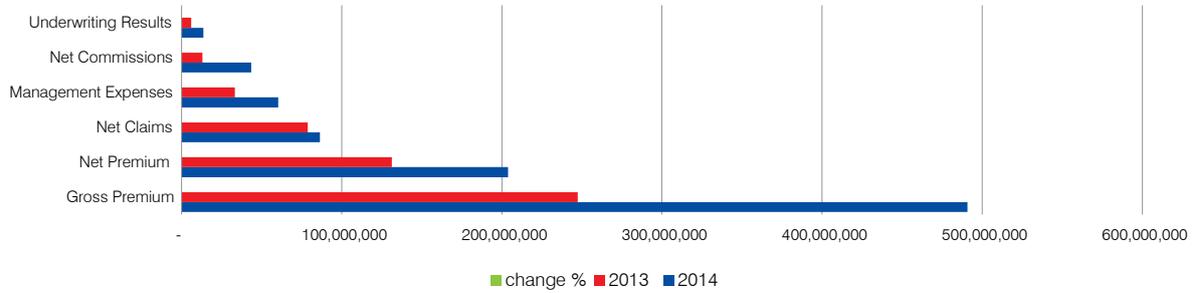
This policy provides coverage against loss or damage caused due to riot & strike or civil commotion or malicious damage due to any persons who are members of an organization whose aim is to overthrow any legal or defacto Government by terrorism or violence.

Allied Perils

This is the most important and basic form of insurance and is essential for all types of business concerns. Fire and Allied Perils Insurance provides comprehensive cover in respect of loss of or damage to your property against fire and lightning. To further safeguard the interest of our valued clients the policy can be extended to cover riot and strike damage, malicious damage, atmospheric disturbance, earthquake (fire and shock), explosion, impact damage, aircraft damage etc.

Fire-Conventional Business

	2014	2013	Change %
	Rupees		
Gross Premium	490,848,268	247,461,791	98.35
Net Premium	203,972,078	131,282,918	55.37
Net Claims	86,443,739	78,778,882	9.73
Management Expenses	60,387,432	33,375,512	80.93
Net Commissions	43,428,938	13,045,299	232.91
UNDERWRITING RESULTS	13,711,969	6,083,225	125.41
Claim Ratio	42%	60%	
Expense Ratio	30%	25%	
Combined Ratio	93%	95%	



Segmentwise Outline Marine-Conventional Business



Marine Cargo

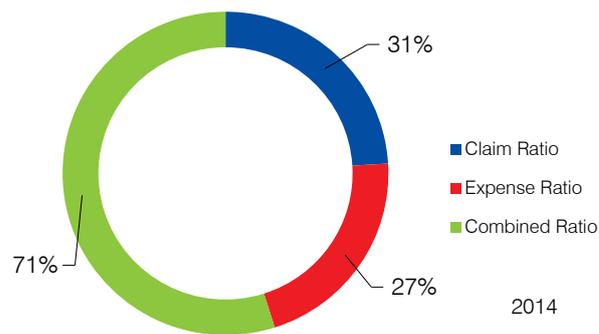
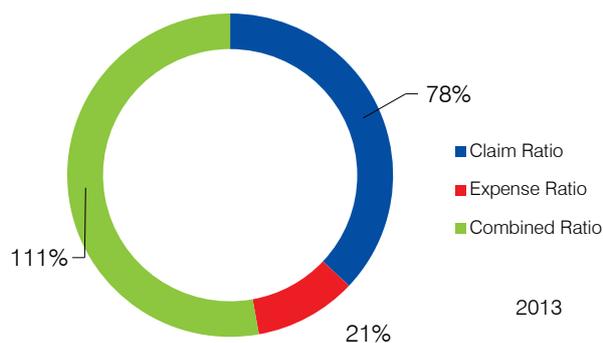
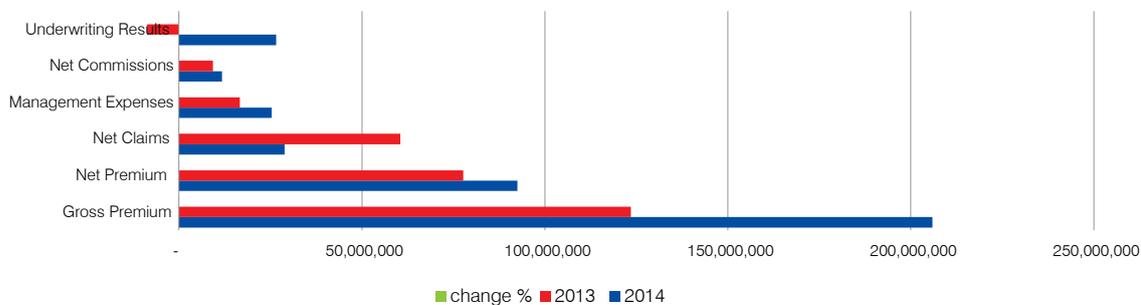
Marine Cargo insurance protects all goods while in transit depending upon the needs of client. Three broad types of cover are available i.e. Institute Cargo Clauses "A", "B" & "C". The cover takes care of risks associated with different modes of transportation.

Marine Hull Insurance

This cover is available for ocean going vessels, barges, tugs, dredgers, fishing trawlers, yachts, wooden dhows, pleasure/speed boats etc., under Institute Time Clauses Hulls. Cover is also provided for last breakup voyages from Karachi anchorage to Gadani.

Marine-Conventional Business

	2014	2013	Change %
	Rupees		
Gross Premium	205,930,036	123,471,328	66.78
Net Premium	92,506,754	77,699,121	19.06
Net Claims	28,868,226	60,492,352	(52.28)
Management Expenses	25,334,888	16,652,748	52.14
Net Commissions	11,747,684	9,257,366	26.90
UNDERWRITING RESULTS	26,555,956	(8,703,345)	405.12
Claim Ratio	31%	78%	
Expense Ratio	27%	21%	
Combined Ratio	71%	111%	



Segmentwise Outline Motor-Conventional Business

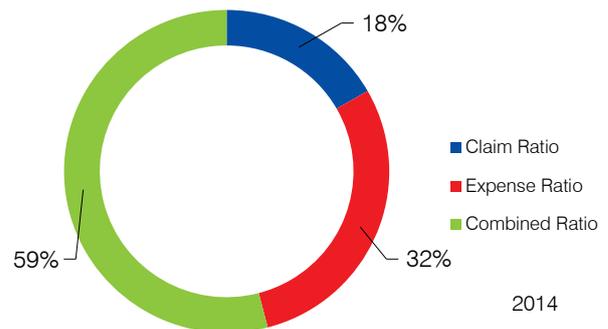
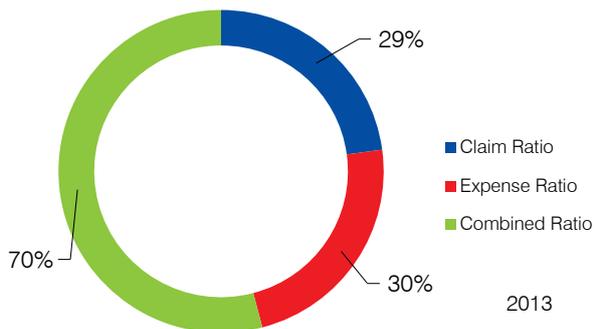
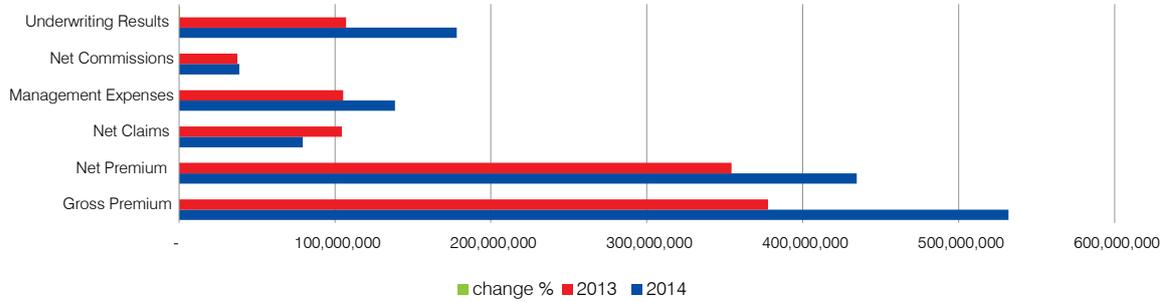


Auto Sure Plan - Auto Insurance with free Tracker Risks Covered

- Accidental External means.
 - Riots, Strikes & Malicious Damages
 - Theft.
 - Fire, External explosion, self-ignition or lightning or frost.
 - Third Party Liability.
- Value Added Features:
- Free towing to the nearest workshop.
 - Get your car repaired from the workshop of your own choice.
 - UIC claims experts will help in getting the Final Police Investigation Report.
 - Free death repatriation of the driver within Pakistan.
 - Funeral expenses & arrangements for the said person will be borne by UIC.
 - No hidden taxes & charges.
 - We commit to settle all theft and total loss claims within 30 days after reporting/submission of requisite documents.

Motor-Conventional Business

	2014	2013	Change %
	Rupees		
Gross Premium	531,990,890	377,771,968	40.82
Net Premium	434,695,795	354,350,344	22.67
Net Claims	79,246,990	104,452,327	(24.13)
Management Expenses	138,589,451	105,338,023	31.57
Net Commissions	38,637,293	37,335,144	3.49
UNDERWRITING RESULTS	178,222,061	107,224,850	66.21
Claim Ratio	18%	29%	
Expense Ratio	32%	30%	
Combined Ratio	59%	70%	



Segmentwise Outline Miscellaneous-Conventional Business



Workmen's Compensation

Employees are the most precious assets and result in the growth and prosperity for any organization. To protect the rights of this invaluable asset Workmen Compensation /Employer Liability Insurance provides coverage for any legal liabilities of the employers arising out of and in the course of employment as per Workmen Compensation Act, Fatal Accident Act, or at Common Law.

Accident Coverage

This cover operates 24 hours and on worldwide basis. It provides for payment of specified capital benefits following accidental death, bodily injury, permanent total disablement, permanent partial disablement, temporary total and temporary partial disablement caused by an accident. In addition the cover also provides reimbursement of emergency transportation to the nearest hospital and expense incurred for preparation and transportation of the mortal remains of the insured person from the place

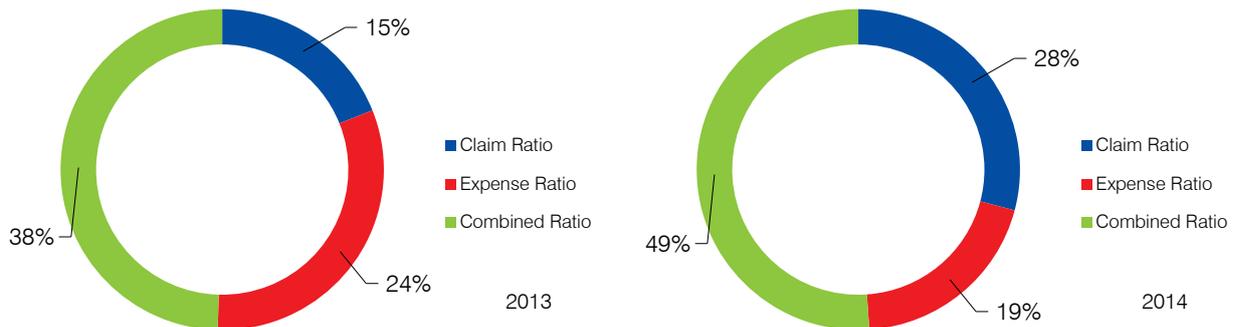
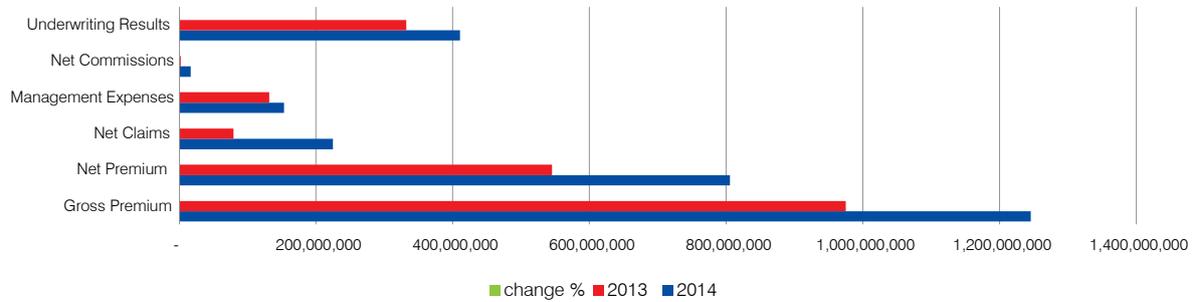
of death to home and can also be extended to cover medical expenses.

Cash in Transit Insurance

This policy provides coverage against loss of money whilst in transit due to forcible, violent, external and visible means.

Miscellaneous-Conventional Business

	2014	2013	Change %
	Rupees		
Gross Premium	1,245,974,591	975,037,892	27.79
Net Premium	805,528,503	545,208,986	47.75
Net Claims	224,873,420	79,359,082	183.36
Management Expenses	153,288,116	131,504,700	16.56
Net Commissions	16,783,310	2,069,165	711.12
UNDERWRITING RESULTS	410,583,657	332,276,038	23.57
Claim Ratio	28%	15%	
Expense Ratio	19%	24%	
Combined Ratio	49%	38%	



Segmentwise Outline Overall-Conventional Business



Fire Insurance:

- Fire & allied perils
- Property all risk
- Industrial all risk
- Burglary
- Contractors all risk
- Machinery breakdown

Marine Insurance

- Marine Cargo Export
- Marine Cargo Import
- Marine Cargo inland transit
- Marine hull

Motor Insurance

- Commercial vehicle comprehensive
- Private vehicle comprehensive

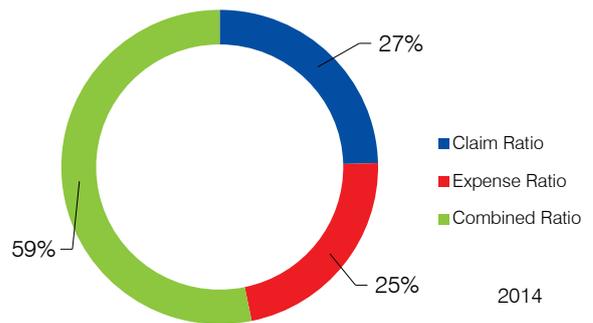
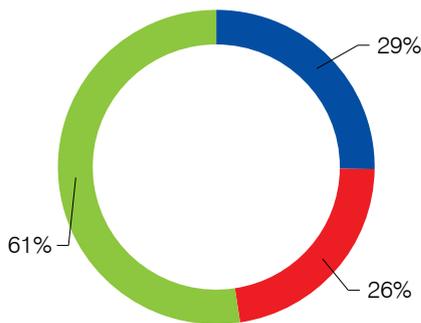
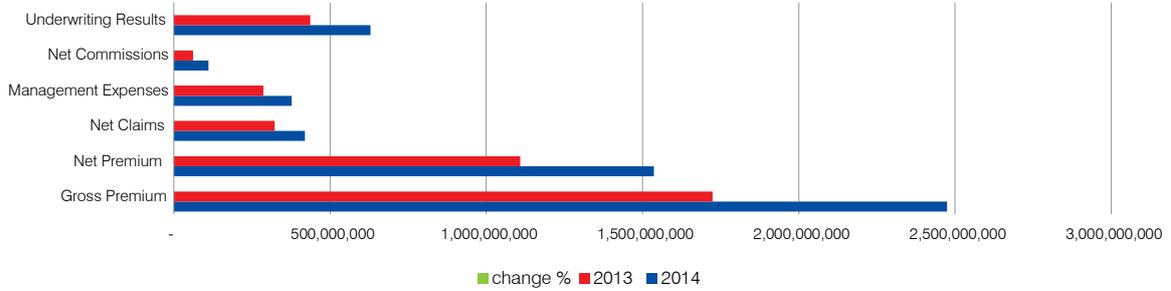
- Motor Cycle comprehensive
- Motor third party liability

Miscellaneous Insurance

- Performance bond
- Maintenance bond
- Cash in safe
- Cash in transit
- Workmen's compensation
- Travel
- Aviation
- Health
- Live Stock
- Crop

Overall-Conventional Business

	2014	2013	Change %
	Rupees		
Gross Premium	2,474,743,785	1,723,742,979	43.57
Net Premium	1,536,703,130	1,108,541,369	38.62
Net Claims	419,432,375	323,082,643	29.82
Management Expenses	377,599,887	286,870,983	31.63
Net Commissions	110,597,225	61,706,974	79.23
UNDERWRITING RESULTS	629,073,643	436,880,768	43.99
Claim Ratio	27%	29%	
Expense Ratio	25%	26%	
Combined Ratio	59%	61%	

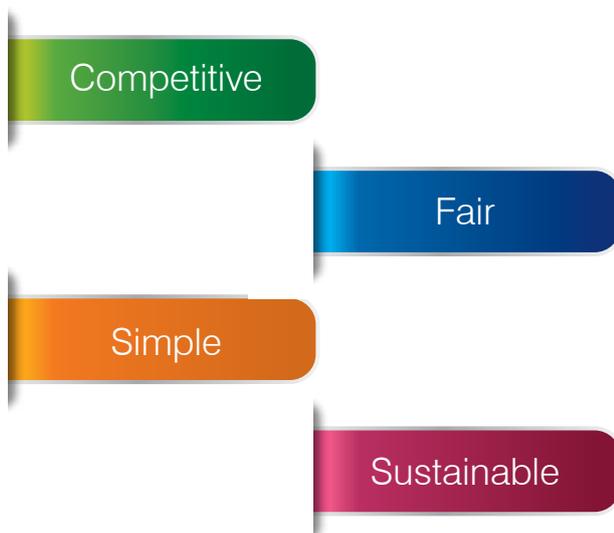


Group Chairman's Message



“Our drive for transformation continues” (INSHA ALLAH)

Total Reward



“It is, fittingly, a time for
looking forward”

The approaching end-of-year means different things to different people. For some it is the start of the festive season. For others it is no different to any other time of the year. However, for all of us it means another calendar year has passed; another milestone in our journey has been reached.

Notwithstanding these “good things” there is still a lot more we can do in the New Year. We can resolve to do better in reporting our incidents, contributing to our Workgroups, sharing valuable insights and incorporating the lessons we have learnt into our work practices during 2014.

Yours Truly,



MIAN M. A. SHAHID

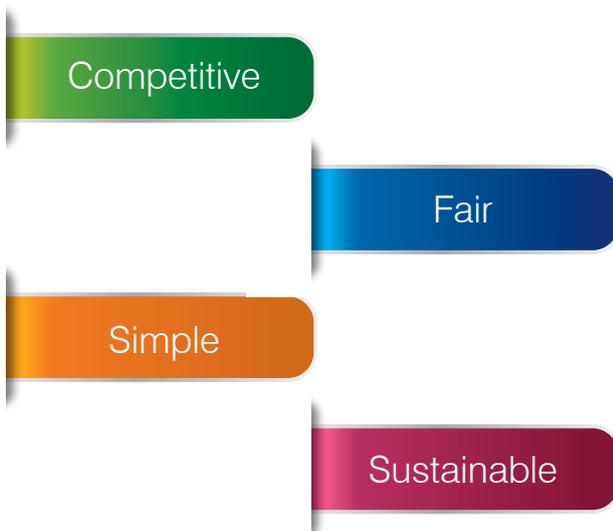
GROUP CHAIRMAN/ADVISOR TO BOARD

Chief Executive's Message



Our strengths in growing and managing high quality, multi channel distribution, along with our expertise providing innovative solutions to the customers in protecting their vital needs and delivering service with excellence at all times.

Total Reward



UIC has progressed steadfast during the recent period in the prevailing competitive market with initiatives focused on high quality products that meet the need of time of our customers which has laid the foundation for future growth.

We have built a business model based on a competitive product proposition, quality customer service and a strong distribution network. With extensive use of technology and committed team of employees, we strive to be the preferred choice of customers seeking strong security protection for their valuable assets.

We accord high importance in honoring the trust reposed by our customers in us, for themselves and their families. We are committed to ensuring trust reposed in us. UIC has a Competitive excellence in number of market products. I am very confident in stating that our recently commenced Window Takaful Operations will follow our footsteps.

Enquires are very often made about the reasons of our success story, to which I say we try to understand needs of our customers to which we respond with tailored made insurances backed by top class reinsurance securaties at a reasonable competitive price backed by prompt claims settlement.

Regards



Mohammed Rahat Sadiq
Chief Executive Officer



CORPORATE GOVERNANCE

Directors' Report to the Members

Throughout the years, UIC has earned its distinction through reliability, transparency, sound business judgement, value creation, innovation and superior results.

Directors' Report to the Members

The Directors of "The United Insurance Company of Pakistan Limited" take pleasure in presenting the 55th annual report of your Company, together with the combined audited financial statements of UIC and its Window Takaful Operations for the year ended December 31, 2014.

THE ECONOMY REVIEW – GENERAL

Pakistan economy faced several reversals during the year 2014, having internal as well as external factors effecting changes. The economy saw a growth in the value of dollar against rupee and then vice versa. A declining trend of inflation was also observed with oil prices touching historical highs and now lows. Pakistan fiscal year that ended on June 30 2014, observed a modest recovery in GDP, which was recorded at 4.1 percent. This meek recovery could be attributed to services and manufacturing activities, which posted 5.5 percent growth, these sectors played a leading role in the recovery of economic recovery in Pakistan.

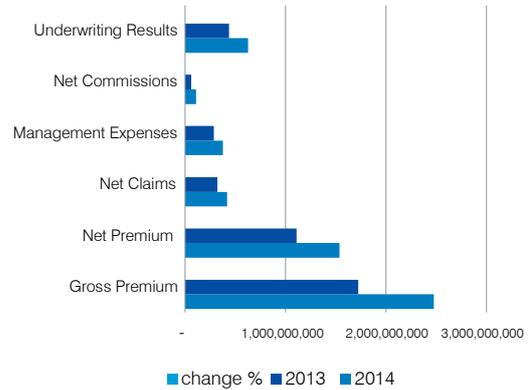
The Sectoral Shift

The agriculture growth was recorded at 2.1 percent with services sector at 4.3 percent. The increase in volume of the services sector in Pakistan and diminishing role of agriculture could not be considered as bad for economy since many high performing economies of the world show this attribute

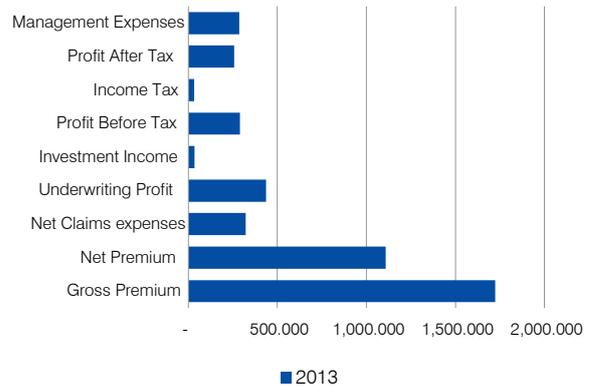
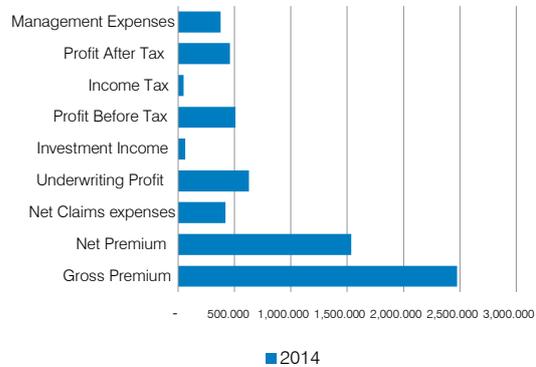
PERFORMANCE REVIEW OF UNITED INSURANCE COMPANY'S CONVENTIONAL BUSINESS YEAR END 2014

Company's Gross Written Premium increased by 43.57%, from Rs.1723.743 million in 2013 to Rs. 2474.744 million in 2014. Premium growth was recorded mainly in new businesses and misc segments (crop, health, bond, & livestock business). The Company's net premium income stands at 62% of GWP. Overall the underwriting result, improved by 43.99% during the year from Rs.436.881 million in 2013 to Rs.629.074 million in 2014. General & administrative expenses increased by 19.14%, from Rs.199.665 million in 2013 to Rs.237.883 million

Overall Performance-Conventional Business



Performance Review-Conventional Business



Directors' Report to the Members

in 2014. The Company, investment income from Rs.34.689 million in 2013 to Rs.63.404 million in 2014. Accordingly the Company earned profit before tax Rs.290.554 million in 2013 as against Rs.507.936 in 2014 and profit after tax of Rs.257.380 million in 2013 as against Rs.460.887 million in 2014. Earnings per share was Rs.2.80 in 2013 as against Rs.5.01 in 2014.

SEGMENTS AT A GLANCE CONVENTIONAL

Fire and Property Damage

Net Premium Revenue increased by 55.37 % due to Rs. 203.972 million in 2014 from Rs. 131.283 million in 2013 . The net losses increased by 9.73 % from Rs. 78.779 million in 2013 to Rs.86.444 million in 2014.Underwriting result increased by 125.41%, from Rs. 6.083 million in 2013 to Rs. 13.712 million in 2014.

Marine, Aviation and Transport

Net Premium Revenue grew by 19.06 % to Rs. 92.507 due to tireless efforts by the field staff. Net losses decreased by 52.28 % in 2014 for this segment, underwriting results were up by 405% from segment loss of Rs. 08.703 million in 2013 to profit of Rs. 26.556 million in 2014 this was mainly due to adaption of better risk management policies.

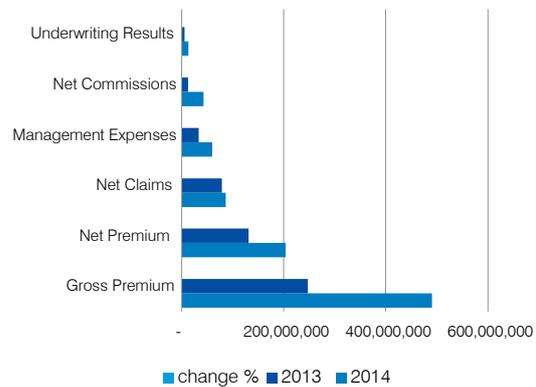
Motor

Net Premium Revenue grew by 22.67 % to Rs. 434.696 million in 2014 from Rs. 354.350 million in 2013. Due to better underwriting policies net losses decreased by 24.13 % for this segment, due to which the segment results increased by 66.21%.

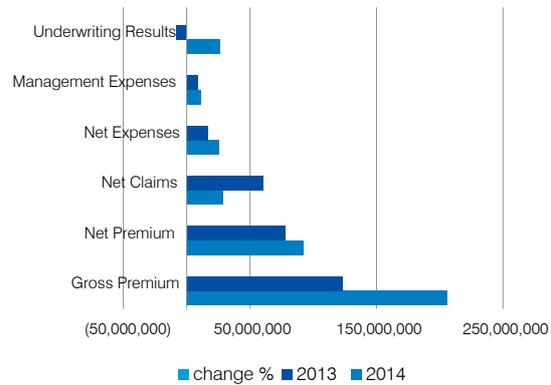
Miscellaneous

Miscellaneous insurances includes crop, livestock, mobile, bond, engineering, contract, travel, health cash in transit and others, GWP increased by 27.79

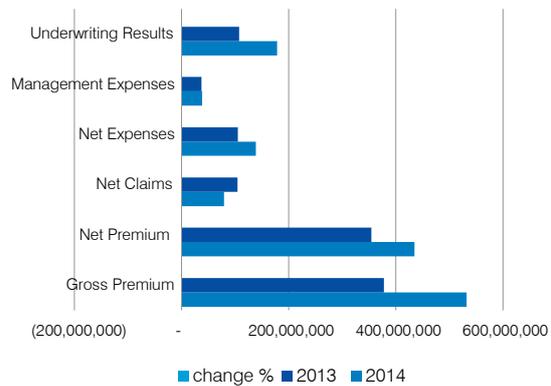
Fire-Conventional Business



Marine-Conventional Business



Motor-Conventional Business



Directors' Report to the Members

% from Rs. 975.038 million in 2013 to Rs. 1245.974 million in 2014 UIC being one of the leaders of the above mention products. Net Premium revenue increased by 47.75 % from Rs. 545.209 million in 2013 to Rs. 805.528 million in 2014. Furthermore the paid losses figure increased by 183.36% for this segment, but experienced 23.50 % increase in underwriting result, from Rs. 332.276 million in 2013 to Rs. 410.584 million in 2014.

CLAIMS

Prompt settlement of claims is a vital function at the UICL. Natural Catastrophic claims are unavoidable and are complex in nature; these are either total or partial loss. Motor "own damage", crop and Health claims accounted for majority of the claims which were promptly settled.

UIC WINDOW TAKAFUL OPERATIONS-2014.

We feel pleasure to announce that we were the first company to be granted license for Window Takaful Operations, that has been successfully launched by us.

PERFORMANCE REVIEW (WINDOW TAKAFUL OPERATIONS)

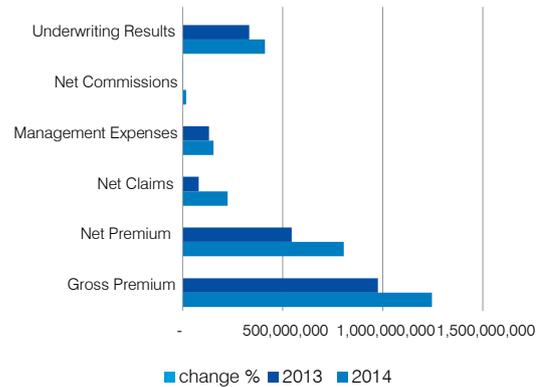
Gross Contribution for the year stands at Rs.123.727 million with Wakala fee Rs.49.681 million. Fire contribution was 7.8%, Marine 6.4%, Motor 8% of the above figure. Contribution growth was mainly generated from misc segments of Rs. 96.143 million which constitutes 78% of the gross contributions.

Our Takaful operations earned a profits of Rs.28.56 Million.

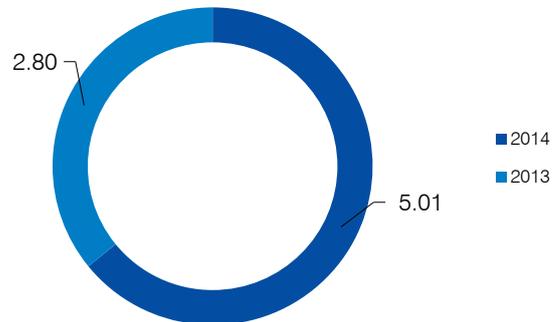
RE-INSURANCE

Your Company follows a policy of optimizing risk retention through a carefully designed program of re-insurance. We have structured our re-insurance program to protect the value at risk at all times during the policy period. Our reinsurance coverage and

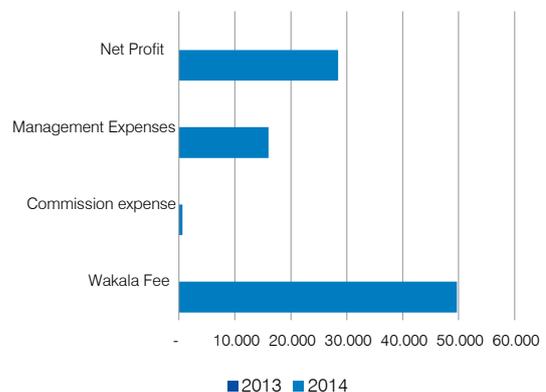
Misc.-Conventional Business



Earning per Share-Conventional Business



Operator's Fund



Directors' Report to the Members

strategic disaster planning is based on Company's exposure, accumulation and concentration of risk at the location.

UIC's reinsurance arrangements predominantly comprise of excess of loss treaties ,our panel consists of Swiss Re (Rated 'AA-' by S&P), Korean Re (Rated A- by AM Best), Trust Re (Rated 'A-' by AM BEST), Labuan Re (Rated 'A-' by AM BEST), Malaysian Re (Rated 'A-' by AM BEST),PRCL(AA JCR-VIS) Hannover Re (AA-S&P), Mapfre Assistance,(A1 by Moody's) and Kuwait Re (A- AM Best) ,our enhanced capacity allows us to underwrite large risks.

RISK MANAGEMENT

Insurance being a business of transfer of risks from client to insurer, is viable only if underwriter has the ability to precisely assess the risk exposure, our Company's Risk Management approach is made for qualitative evaluation of risk and minimizing its hazards, we are continuously striving in developing tools for risk identification, risk quantification, risk control and risk retention analysis.

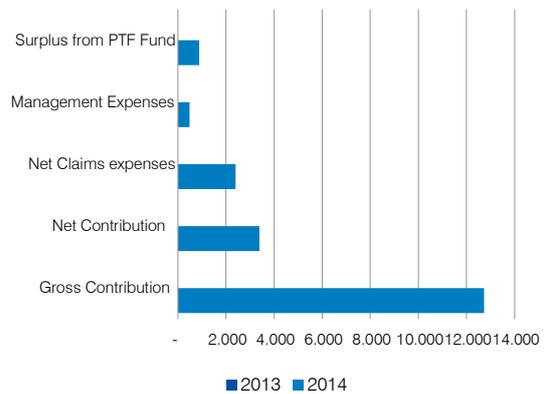
INVESTMENT IN Apna Microfinance Bank Limited .

During 2014 UIC acquired 30.93% holding in Apna Microfinance Bank Limited by investing Rs 193,849,869/ in it .With investment in banking sector it will result in new investment avenues for the Group. Shareholders consent was taken during the 12th Extra Ordinary General Meeting held on 26 December 2014 for further investment prospects of Rs 200 million by way of purchase of right share of the bank

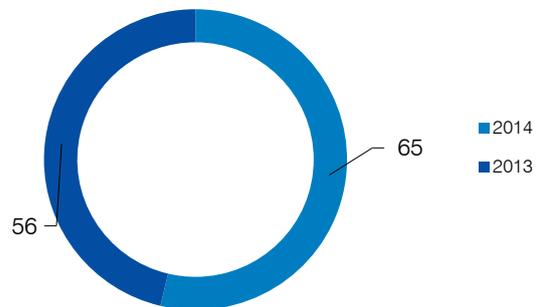
General Investments

Our investment objective is to attain maximum return on our investment portfolio for the company/ shareholders, the investment committee implements and monitors our investment strategies, guidelines and policies for the Board and the group's investment guidelines. The Company will continue to place special emphasis in generating revenues by safe and sound investments generating good returns.

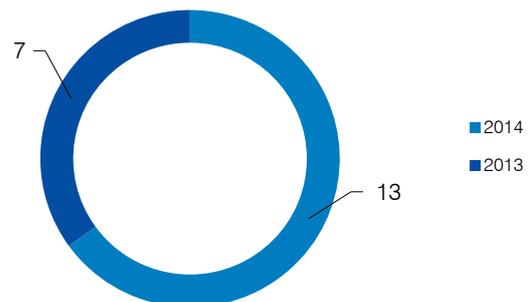
Participant's Takaful Fund



Risk Management (Financial Assets)



Investments



Directors' Report to the Members

INFORMATION TECHNOLOGY

Your Directors recognize the importance of Technology in today's business environment by ensuring that we are up date with the new technology in time with increasing numbers of policies and claims. The communication infrastructure has been strengthened by upgrading of Reinsurance Management System which will be fully integrated with our existing MIS.

HUMAN RESOURCE

At UICL, a greater emphasis is being placed on enhancing the quality of our HR, which will further enhance our marketing & administrative capabilities of our employees, resulting in improved efficiency and qualitative services.

At UIC we provide continues & challenging opportunities for growth of our employees .The Company has created a culture that promotes teamwork, collaboration, openness and transparency of processes which builds overall trust resulting in improvement and rewards recognition for it employees.

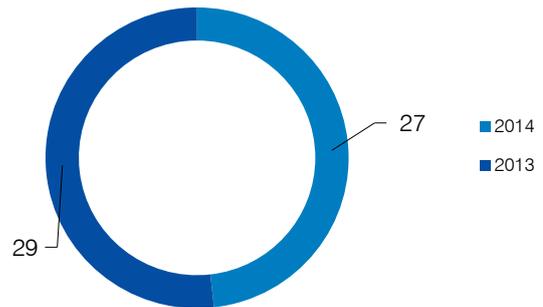
CORPORATE SOCIAL RESPONSIBILITY

The Company's goal is to safeguard the interest of its employees, preventing accidents effecting people, property and the environment, at UICL risk prevention is our collective responsibility, whereby we are continuously devising way and means for improvement.

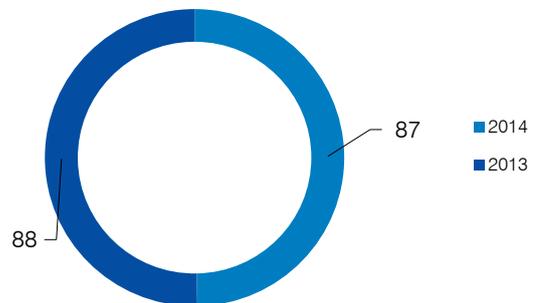
APPROPRIATIONS

Your Directors' are pleased to present the following figures with recommendations for the year ended December 31, 2014.

Claims (Net Claims Expenses)-Conventional Business



Re-insurance Ceded-Conventional Business



Directors' Report to the Members

Particulars	Rupees
Net Profit After Tax	460,887,143
Add: Incremental Depreciation	894,463
Add: Actuarial gain on defined benefit plan	2,782,560
Total Comprehensive Income	464,564,166
Add Last Year Unappropriated profit	185,342,891
Profit Available for appropriation	649,907,057
Appropriated/appropriations:	
40% Final Stock dividend	368,000,000
Transfer to General Reserve	-
Unappropriated Profit	281,907,057
Total	649,907,057

INSURER'S FINANCIAL STRENGTH RATING

The Pakistan Credit Rating Agency (PACRA) has upgraded the Insurer Financial Strength (IFS) rating of your Company to "A+" (Single A+). The rating denotes our strong capacity to meet our policyholder and contractual obligations.

CODE OF CONDUCT

Your Company has designed a Code of Conduct to ensure ethical practices and integrity signed by all the employees. All our operational activities are carried out in a transparent manner strictly following the code of ethics, to which there is no compromise.

FUTURE OUTLOOK

The united insurance Ltd was the first company in Pakistan to obtain Window Takaful Operator license from SECP. This will assist us to make inroads into new and developing markets and products. We are confident that our investment in of Apna Microfinance Bank Limited will enhance the company's profitability in years to come.

ACKNOWLEDGEMENT.

We thank & value with confidence the support reposed on us by our customers, business allies, SECP, regulatory bodies and employees. We will never let them down and will always measure up to this expectation with dedication and sincere efforts.

The management undertakes the commitment that it will continue to focus its attention on further growth of its business, increasing company's revenue and maintain its profitability upwards with high ethical standards.

For and on behalf of the Board



Chief Executive Officer

Dated: 19-03-2015

Report on Corporate

and financial reporting framework

- The financial statements together with the notes forming an integral part of these statements have been prepared by the management of your Company in conformity with the Companies Ordinance, 1984 and the Insurance Ordinance, 2000 and present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the listed company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented & monitored by the internal audits. This is a continuing process and any weaknesses will be removed and its effective implementation shall be ensured.
- There is no doubt upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Key operating and financial data for the last six years is enclosed with the annual report.
- Outstanding taxes and duties amounting to Rs.68,708,275 which will be paid partially in the month of January 2015 and partially in with income tax return of 2015.
- The related party transactions are approved or ratified by the audit committee and the Board of Directors.
- Interest of directors and their relatives in company's shareholding as at December 31, 2014

S.NO.	Name	Holdings
1	Khawas Khan Niazi	9,099
2	Ch. Habibur Rehman	13,998
3	Mohammed Rahat Sadiq	3,707
4	Miss Huma Waheed	7,164
5	Ch. Azizur Rehman	17,772
6	Ch. Maqsood Ahmed	112,125
7	Najeeb-ur-Rahman	17,172

During the year 2014 the trade carried out by the Directors, CEO, CFO, Company Secretary, Executives and their spouses and minor children, if any, in the shares of the Company is mentioned below:

Directors & Their Spouses	No. of Shares Purchased/ Acquired	No. of Shares Sold
Khawas Khan Niazi	2,156	-
Ch. Habib ur Rehman	4,348	4,348
Mohammed Rahat Sadiq	878	-
Miss Huma Waheed	1,698	-
Ch. Azizur Rehman	4,212	4,212
Ch. Maqsood Ahmed	26,575	26,575
Najeeb-Ur-Rahman	4,070	4,070

12. Board Meetings and Attendance

During the year, nine (09) meetings of the Board of Directors were held and attendance by each Director is given below:

Name of Directors	Number of Meetings Attended
Khawas Khan Niazi	9
Ch. Habib ur Rehman	9
Mohammed Rahat Sadiq	9
Miss Huma Waheed	9
Ch. Azizur Rehman	9
Ch. Maqsood Ahmed	9
Najeeb-Ur-Rahman	9

All members of the board attended all meetings during the year.

- All the major decisions relating to change in the policy of underwriting, if any, appointment, remuneration and terms & conditions of CEO are taken to the Board.

Report on Corporate

and financial reporting framework

14. The Company intends to make Long Term equity investment in APNA Microfinance Bank Limited.
15. The value of investments in assets of gratuity fund are amounting to Rs.8,067,544 as at 31,12,2014.

Audit Committee

As required under the Code of Corporate Governance, the audit committee continued to perform as per its terms of reference duly approved by the Board. The Audit Committee review and recommend appointment of auditors and on related party matters. The committee composition is also attached with this report.

HR Committee

As required under the Code of Corporate Governance, the HR Committee continued to perform as per its terms of reference duly approved by the Board. The HR Committee recommends to the Board selection evaluation, compensation of key management positions.

Other Committees

Investment, Claim, Underwriting, Management, Re-insurance committee continued to perform as per their terms of reference.

Material Changes

There have been no material changes and commitments affecting the financial position of your Company since December 31, 2014.

Auditors

The Company's Auditors M/s Avais Hyder Liaquat Nauman Chartered Accountants Lahore & retire and offer themselves for reappointment.

Pattern of Shareholding

A statement showing the pattern of shareholding is attached with this report.

Insurance Ordinance, 2000

As required under the Insurance Ordinance and rules framed there under, the Directors confirm that:

- in their opinion and to the best of their belief the annual statutory accounts of the Company set out in the forms attached with this statement have been drawn up in accordance with the Insurance Ordinance and any rules made there under;
- the Company has at all times in the year complied with the provisions of the Ordinance and the rules made there under relating to the paid-up capital, solvency and re-insurance arrangements; and
- as at the date of the statement, the Company continues to be in compliance with the provisions of the Ordinance and rules framed there under as mentioned above.

For and on behalf of the Board



Chief Executive Officer

Dated: March 19, 2015

Code of Conduct

The directors and employees at all levels of “The United Insurance Company of Pakistan Limited” hereinafter called UIC shall adopt this code of conduct.

RELATIONSHIP WITH EMPLOYEES

The entity is an equal opportunity employer. Its employee recruitment and promotional policies are free of any gender bias, and is merit, and excellence oriented. It believes in providing its employees safe and healthy working conditions, and maintaining good channels of communications. The UIC expects its employees to abide by certain personal ethics, whereby UIC information and assets are not used for any personal advantage or gain. Any conflict of interests should be avoided, where it exists it should be disclosed, and guidance sought.

RELATIONSHIP WITH THE COMPANY

The UIC’s policy is to conduct business with honesty and integrity and be ethical in all its dealings, showing respect for the interest of those with whom it has relationship. The advancement in the business procedures and practices and upgrading of electronic technology shall be adopted for the well being of the company. The UIC does not support any political party nor contributes to the funds of groups whose activities promote party interests.

RELATIONSHIP WITH THE CLIENTS

The UIC believes in fair competition, and supports appropriate competition laws. The UIC is committed to provide services, which consistently offer value in terms of price and quality and satisfy customer needs and expectations.

RELATIONSHIP WITH SOCIO-ECONOMIC ENVIRONMENT

The UIC is committed to run its business in an environment that is sound and sustainable. As a good corporate citizen, the UIC recognizes its social responsibilities, and will endeavor to contribute to community activities, for betterment of society as a whole.

RELATIONSHIP WITH MEMBERS

We are fully supported by our members to serve in the best interest of the company by achieving consistent growth and reputation of the company.

COMPLIANCE OF APPLICABLE LAWS AND REGULATIONS

The UIC complies with all laws and regulations. All employees are expected to familiarize themselves with laws and regulations governing their individual areas of responsibility, and not to transgress them. If in doubt, employees are expected to seek advice. The UIC believes in and fully adheres to the principles of reliability and credibility in its financial reporting and in transparency of business transactions. The rules and regulations formulated and practiced shall not super cede any Government or legislative body laws and regulations applicable to the company.

The Board to ensure that the above principles of Code of conduct are complied with, for which the Board has constituted the audit committee, to be supportive of compliance.

Auditors' Review Report to the Members

on Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors ("the Board") of **The United Insurance Company of Pakistan Limited** ("the Company") for the year ended December 31, 2014 to comply with the Listing Regulations of the Karachi Stock Exchange where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the company to place before the audit committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the company for the year ended December 31, 2014.



AVAIS HYDER LIAQUAT NAUMAN
Chartered Accountants

Date: March 19, 2015
Place: Lahore

Statement of Compliance

with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (the CCG) contained in Regulation No. 35 of Listing Regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Director	Chaudhary Maqsood Ahmed
Executive Directors	Mohammed Rahat Sadiq Miss Huma Waheed
Non-Executive Directors	Khawas Khan Niazi Chaudhary Habib-Ur- Rehman Chaudhary Najeeb-ur-Rehman Chaudhary Aziz-ur Rehman

The independent director meets the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occur on the board during 2014.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and

significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. As per the CCG, Directors of the company having 15 years of experience on the Board of listed company and 14 years of education are exempted from Director's training program. Three out of seven Board members of the company qualify for exemption under the provision (xi) of the CCG. One Director has already obtained training certificate as required and remaining Directors will complete their course in subsequent years. Further the company will arrange training program for all directors as provided under the CCG.
10. There were no new appointment of Chief Financial Officer (CFO) & Corporate Secretary or Head of Internal Audit during the year. The Board had however, approved the increase in remuneration of Chief Financial Officer & Corporate Secretary and the Head of Internal Audit Department.
11. The Director's report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

Statement of Compliance

with the Code of Corporate Governance

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises 3(three) non-executive directors including chairman of the committee who is an independant director.
16. The meetings of the Underwriting, claim settlement, reinsurance and coinsurance and investment committees were held at least once every quarter.
17. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
18. The board has formed an HR and Remuneration Committee. It comprises 4(four) members, of whom 3(three) are non-executive directors and the chairman of the committee is a non exexutive director.
19. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
20. All related party transactions entered during year were on arm's length basis and these have been placed before the Audit Committee and Board of Directors. These transactions are duly reviewed and approved by the Audit committee and Board of Directors along with pricing method.
21. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on CCG of ethics as adopted by the ICAP.
22. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
23. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
24. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
25. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of Board.



Mohammed Rahat Sadiq
Chief Executive Officer

Dated: March19, 2015

Pattern of Shareholding

As At December 31, 2014

No. of Shareholders	Shareholding from	To	Total Shares Held
103	1	100	3,579
62	101	500	14,472
28	501	1000	20,045
79	1001	5000	170,563
17	5001	10000	124,127
06	10001	15000	78,156
06	15001	20000	103,370
2	20001	25000	46,106
1	25001	30000	25,067
1	30001	35000	31,138
4	35001	40000	154,149
2	40001	45000	83,534
1	45001	55000	53,954
1	55001	60000	58,431
1	60001	65000	60,837
1	65001	85000	83,682
1	85001	115000	112,125
1	115001	165000	161,186
1	165001	280000	278,207
1	280001	310000	308,503
1	310001	2100000	2,005,636
1	2100001	2500000	2,482,005
1	2500001	2700000	2,679,351
1	2700001	2715000	2,711,462
1	2715001	2720000	2,717,761
1	2720001	3200000	3,104,270
1	3200001	4000000	3,948,789
1	4000001	6800000	6,794,032
1	6800001	7850000	7,844,163
1	7850001	7860000	7,855,891
1	17860001	12100000	12,065,168
1	12100001	13800000	13,754,926
1	13800001	22065315	22,065,315
332			92,000,000

Categories of Shareholding

As per Code of Corporate Governance as at December 31, 2014

Sr. No.	Categories of Shareholding	Number of Shareholders	Share held	Percentage %
1	Associated Undertaking and Related Parties (List "A" Attached)	5	329,439	0.36
2	NIT AND ICP (List "B" Attached)	1	6,205	0.01
3	Director, CEO, SPOUSE & Minor Children (List "C" Attached)	7	181,037	0.20
4	Executives	NIL	NIL	NIL
5	Public Sector Companies & Corporations (List "D" Attached)	1	397,653	0.43
6	Banks & Insurance Companies (List "E" Attached)	2	3,901	0.00
7	Shareholders of Five Percent or More (List "F" Attached)	5	58,359,114	63.43
8	Individuals	311	32,722,651	35.57
	Total	332	92,000,000	100.00

Categories of Shareholding

As per Code of Corporate Governance as at December 31, 2014

List A Associated Companies, Undertaking & Related Parties		
Sr. No.	Name	No. of Shares
1	Aziz Mines (pvt) Ltd	19,435
2	Indus Coal Mines (pvt) Ltd	278,207
3	Shahab Coal Mines (Pvt.) Ltd.	15,283
4	Zahid Steel (Pvt.) Ltd.	8,257
5	Zahid Chemical (Pvt.) Ltd.	8,257
		329,439

List B NIT AND ICP		
Sr. No.	Name	No. of Shares
1	National Bank of Pakistan Investor Account	6,205

List C Directors, CEO, their spouses and minor children		
Sr. No.	Name	No. of Shares
1	Khawas Khan Niazi	9,099
2	Ch. Habibur Rehman	13,998
3	Mohammed Rahat Sadiq	3,707
4	Miss Huma Waheed	7,164
5	Ch. Azizur Rehman	17,772
6	Ch. Maqsood Ahmed	112,125
7	Najeeb-ur-Rahman	17,172
		181,037

List D Public Sector Companies & Corporations		
Sr. No.	Name	No. of Shares
1	Pakistan Re-Insurance Company Limited	397,653
		397,653

List E Banks & Insurance Companies		
Sr. No.	Name	No. of Shares
1	Habib Bank Limited	128
2	Eastern federal unions Ins.Co.Ltd	3,773
		3,901

List F Shareholding Five Percent or More		
Sr. No.	Name	No. of Shares
1	Margalla News International	13,754,926
2	UIG Global Services Ltd	7,855,891
3	United Track Systems(Pvt)Limited	22,094,696
4	United International Farms(Pvt)Limited	7,844,163
5	United Software and Technologies(Pvt) Limited	6,809,438
		58,359,114

FINANCIAL STATEMENTS

For the year ended December 31, 2014

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Auditors' Report to the Members

We have audited the annexed financial statements comprising of:

- i. balance sheet;
- ii. profit and loss account;
- iii. statement of comprehensive income;
- iv. statement of changes in equity;
- v. statement of cash flows;
- vi. statement of premiums/contributions;
- vii. statement of claims;
- viii. statement of expenses; and
- ix. statement of investment income

of *The* United Insurance Company of Pakistan Limited ("the Company") as at December 31, 2014 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) proper books of accounts have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied except for the additional accounting policies related to window takaful operations as stated in note 4 to the financial statements with which we concur;
- c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at December 31, 2014 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- d) no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980.



AVAIS HYDER LIAQUAT NAUMAN
Chartered Accountants

Engagement Partner: Syed Ali Adnan Tirmizey

Date: March 19, 2015
Place: Lahore

Balance Sheet

As at December 31, 2014

	Note	2014 Rupees	2013 Rupees
Share capital and reserves			
Authorized share capital 200,000,000/- (2013 : 100,000,000/-) Ordinary Shares of Rs. 10/- each	5	2,000,000,000	1,000,000,000
Paid-up share capital	5	920,000,000	701,942,796
Retained earnings		649,907,057	403,400,095
Reserves	6	75,115,917	75,115,917
		1,645,022,974	1,180,458,808
Surplus on revaluation of fixed assets	7	40,098,077	40,992,540
Waqf/Participants' takaful fund - (PTF)	8	1,441,108	-
Underwriting provisions			
Provision for outstanding claims (including IBNR)	9	1,069,721,899	618,212,048
Provision for unearned premium/contribution	10	1,426,683,623	877,884,914
Commission income / re-takaful rebate unearned	11	68,914,903	20,394,696
Total underwriting provisions		2,565,320,425	1,516,491,658
Deferred liabilities			
Staff retirement benefits	12	62,105,926	49,764,879
Deferred tax liabilities	13	6,878,414	8,673,816
		68,984,340	58,438,695
Creditors and accruals			
Amounts due to other insurers/ reinsurers & takaful / re-takaful	14	387,323,929	92,704,969
Accrued expenses	15	27,754,755	18,400,561
Provision for taxation - net		38,619,506	28,581,834
Other creditors and accruals	16	76,917,529	49,430,293
		530,615,719	189,117,657
Other liabilities			
Liabilities against assets subject to finance lease	17	65,637,310	22,703,330
TOTAL LIABILITIES		3,231,998,902	1,786,751,340
TOTAL EQUITY AND LIABILITIES		4,917,119,953	3,008,202,688
CONTINGENCIES & COMMITMENTS	18	-	-

The annexed notes from 1 to 52 form an integral part of these financial statements.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director

Balance Sheet

As at December 31, 2014

	Note	2014 Rupees	2013 Rupees
Cash and bank deposits			
Cash and other equivalents	19	254,187	190,254
Current and other accounts	20	395,172,342	146,170,437
Deposits maturing within 12 months	21	247,654,507	83,272,538
Deposits maturing after 12 months	22	12,202,400	20,022,275
		655,283,436	249,655,504
Loans			
To employees and agents	23	10,406,526	9,963,600
Investments	24	642,625,501	412,493,249
Investment property	25	3,005,136	3,163,301
Current assets - others			
Premiums/contributions due but unpaid	26	518,642,099	458,363,262
Amounts due from other insurers/ reinsurers & takaful/re-takaful	27	706,135,088	145,101,589
Prepaid reinsurance premium/re-takaful contribution ceded	28	588,568,132	171,980,285
Reinsurance / re-takaful recoveries against outstanding claims	29	933,875,860	543,315,576
Deferred commission expense	30	139,471,646	72,930,275
Accrued investment income		30,595,180	26,163,354
Advance for purchase of shares	31	-	215,302,941
Sundry receivables	32	60,084,527	122,639,305
		2,977,372,532	1,755,796,587
Fixed assets - Tangible and intangibles	33		
Owned			
Land freehold		140,735,600	140,735,600
Buildings		117,430,664	123,611,226
Furniture, fixtures, office and computer equipments		109,958,203	109,441,780
Motor vehicles		129,412,361	146,945,128
Motor tracking devices		38,867,426	27,995,172
Motor tracking devices - PTF		188,206	-
Capital work in progress		19,134,958	2,886,600
		555,727,418	551,615,506
Leased			
Motor vehicles		72,699,404	25,514,941
TOTAL ASSETS		4,917,119,953	3,008,202,688


 Khawas Khan Niazi
 Director/President


 Ch. Habib-ur-Rehman
 Chairman

Profit and Loss Account

For the year ended December 31, 2014

	Note	Fire and Property Damage	Marine, Aviation and Transport	Motor	Miscellaneous	2014 Aggregate	2013 Aggregate
-----R u p e e s-----							
REVENUE ACCOUNT - CONVENTIONAL BUSINESS							
Net premium revenue		203,972,078	92,506,754	434,695,795	805,528,503	1,536,703,130	1,108,541,368
Net claims		(86,443,739)	(28,868,226)	(79,246,990)	(224,873,420)	(419,432,375)	(323,082,643)
Management expenses	35	(60,387,432)	(25,334,888)	(138,589,451)	(153,288,117)	(377,599,888)	(286,870,983)
Net commission		(43,428,938)	(11,747,684)	(38,637,293)	(16,783,310)	(110,597,225)	(61,706,974)
Underwriting results		13,711,969	26,555,956	178,222,061	410,583,656	629,073,642	436,880,768
Investment income						63,404,022	34,689,348
Rental income						1,392,000	1,163,000
Other income	36					31,451,605	20,272,726
Share of loss from associate	24.1.2					(282,459)	-
General and administration expenses	37					(237,883,043)	(199,665,062)
Finance charge on lease rentals						(7,675,541)	(2,786,552)
						(149,593,416)	(146,326,540)
Profit before tax from conventional operations						479,480,226	290,554,228
Profit for the period from							-
- window takaful operations	38					28,455,780	-
Profit before tax						507,936,006	290,554,228
Provision for taxation	39					(47,048,863)	(33,174,584)
Profit after tax						460,887,143	257,379,644
PROFIT AND LOSS APPROPRIATION ACCOUNT							
Balance at commencement of year						403,400,095	272,595,825
Total comprehensive income for the year						464,564,166	262,061,866
Profit available for appropriation						867,964,261	534,657,691
Issuance of bonus shares (2013: Rs. 10 (23%) per share for the year 2012)						(218,057,204)	(131,257,596)
Balance of un-appropriated profit at end of the year						649,907,057	403,400,095
Earning per share of Rs. 10/- each - basic and diluted (Restated)	Note 40					5.01	2.80



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director

Profit and Loss Account

For the year ended December 31, 2014

	Note	Fire and Property Damage	Marine, Aviation and Transport	Motor	Health and Miscellaneous	2014 Aggregate	2013 Aggregate
REVENUE ACCOUNT - PARTICIPENTS' TAKAFUL FUND							
-----R u p e e s-----							
Net Contribution revenue		235,454	199,349	312,431	2,639,879	3,387,113	-
Net claims		-	(226,586)	(80,610)	(2,088,855)	(2,396,051)	-
Direct expenses	41	(37,078)	(30,617)	(38,214)	(369,133)	(475,042)	-
Net rebate on re-takaful		26,780	5,071	-	337,127	368,978	-
Surplus / (Deficit) before investment income		225,156	(52,783)	193,607	519,018	884,998	-
Other Income						56,111	-
Surplus for the period						941,108	-
Accumulated Surplus							
Balance at the beginning of the period						-	-
Surplus for the period						941,108	-
Balance at the end of the period						941,108	-

The annexed notes from 1 to 52 form an integral part of these financial statements.


Khawas Khan Niazi
Director/President


Ch. Habib-ur-Rehman
Chairman

Statement of Comprehensive Income

For the year ended December 31, 2014

	2014 Rupees	2013 Rupees
Profit for the year	460,887,143	257,379,644
Other comprehensive income for the year		
Acturial (loss) / gain on defined benefit plan	2,782,560	(2,516,121)
Incremental depreciation net of deferred tax	894,463	1,121,332
Realization of surplus due to sale of fixed assets	-	6,077,011
Total comprehensive income for the year	464,564,166	262,061,866

The annexed notes from 1 to 52 form an integral part of these financial statements.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Statement of Changes in Equity

For the year ended December 31, 2014

Description	Share capital	Reserve for issue of bonus shares	General reserve	Retained earnings	Total
-----Rupees-----					
Balance as at January 01, 2013 - restated	570,685,200	-	75,115,917	272,595,825	918,396,942
Transfer to reserve for issue of bonus shares	-	131,257,596	-	(131,257,596)	-
Bonus share reserve capitalized	131,257,596	(131,257,596)	-	-	-
Transfer to general reserve	-	-	-	-	-
Net profit for the year	-	-	-	257,379,644	257,379,644
Other comprehensive income	-	-	-	4,682,222	4,682,222
Total comprehensive income	-	-	-	262,061,866	262,061,866
Balance as at December 31, 2013	701,942,796	-	75,115,917	403,400,095	1,180,458,808
Balance as at January 01, 2014	701,942,796	-	75,115,917	403,400,095	1,180,458,808
Transfer to reserve for issue of bonus shares	-	218,057,204	-	(218,057,204)	-
Bonus share reserve capitalized	218,057,204	(218,057,204)	-	-	-
Transfer to general reserve	-	-	-	-	-
Net profit for the year	-	-	-	460,887,143	460,887,144
Other comprehensive income	-	-	-	3,677,023	3,677,023
Total comprehensive income	-	-	-	464,564,166	464,564,167
Balance as at December 31, 2014	920,000,000	-	75,115,917	649,907,057	1,645,022,974

The annexed notes from 1 to 52 form an integral part of these financial statements.


Mohammed Rahat Sadiq
 Chief Executive Officer


Huma Waheed
 Director


Khawas Khan Niazi
 Director/President


Ch. Habib-ur-Rehman
 Chairman

Statement of Cash Flows

For the year ended December 31, 2014

Note	2014 Rupees	2013 Rupees
Operating cash flows:		
a) Underwriting activities:		
Premium received	2,466,170,275	1,643,340,654
Contribution received	54,630,961	-
Reinsurance premium paid	(574,049,902)	(313,940,908)
Retakaful contribution paid	(7,820,164)	-
Claims paid	(1,284,888,512)	(837,031,187)
Claims paid - Takaful	(3,764,863)	-
Reinsurance and other recoveries received	386,316,162	438,458,911
Retakaful and other recoveries received / (Paid)	(19,575,145)	-
Commission paid	(221,105,474)	(137,113,069)
Commission paid - Takaful	(10,296,228)	-
Retakaful rebate received	4,661,192	-
Commission received	97,843,300	37,457,977
Net cash flow from underwriting activities	888,121,602	831,172,378
b) Other operating activities:		
Income tax paid	(38,806,595)	(25,528,479)
General management expenses paid	(445,786,056)	(356,336,289)
General management expenses paid - Takaful	(2,310,515)	-
Other operating receipts/(payments)	63,752,634	(68,931,543)
Other operating receipts/(payments) - Takaful	(1,197,856)	-
Loan to employees and agents	(442,926)	(4,056,740)
Net cash flow from other operating activities	(424,791,314)	(454,853,051)
Total cash flow from all operating activities	463,330,288	376,319,327
Investment activities:		
Investment income received	53,907,963	32,547,326
Rental income received	1,392,000	1,163,000
Sale/(Purchase) of investment	(465,271,800)	(153,599,260)
Sale/(Purchase) of investment - Takaful	(464,000)	-
Advance for purchase of shares	215,302,941	(142,000,000)
Fixed capital expenditure	(79,679,883)	(102,485,946)
Fixed capital expenditure - Takaful	(3,314,538)	-
Proceeds from disposal of fixed assets	41,418,930	7,800,500
Net cash flow from investing activities	(236,708,388)	(356,574,380)
Financing activities:		
Lease liability paid	(28,056,061)	(20,393,780)
Short-term finance	-	(3,196,613)
Satutory reserve	50,000,000	-
Ceded money	500,000	-
Net cash flow from financing activities	22,443,939	(23,590,393)
Net cash inflow from all activities	249,065,838	(3,845,446)
Cash and cash equivalents at the beginning of the year	146,360,691	150,206,137
Cash and cash equivalents at the end of the year	395,426,529	146,360,691

Statement of Cash Flows

For the year ended December 31, 2014

	Note	2014 Rupees	2013 Rupees
Reconciliation of profit and loss account - Conventional Operations			
Net cash flow from operating activities		449,002,906	376,319,327
Depreciation		(74,703,448)	(65,629,475)
Lease finance charges		(7,675,541)	(2,786,552)
Gain on disposal of fixed assets		4,798,249	5,703,362
Increase/(Decrease) in assets other than cash		1,327,261,036	582,564,033
(Increase)/Decrease in liabilities		(1,332,537,358)	(673,480,398)
Reversal/(Provision) for impairment in value of investments		2,532,117	(3,992,583)
Others			
Dividend income		2,205,312	9,958,486
Gain & other investment income		61,830,549	28,723,445
Share of loss from associate		(282,459)	-
Income from Window takaful operations		28,455,780	-
Profit after taxation		460,887,143	257,379,644
Reconciliation of profit and loss account - Takaful operations			
Net cash flow from operating activities		14,327,382	-
Depreciation		(94,939)	-
Increase/(Decrease) in assets other than cash		126,433,543	-
(Increase)/Decrease in liabilities		(111,269,097)	-
Profit for the period		29,396,888	-
Attributed to:			
Window takaful operator		28,455,780	-
Participant's takaful fund		941,108	-
		29,396,888	-

Definition of cash

Cash for the purpose of the statement of cash flows comprises of cash in hand, bank balances and other assets which are readily convertible to cash and used for cash management for day to day business operations.

Cash for the purpose of cash flows comprises of:

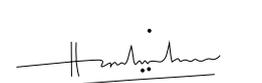
Cash and other equivalents			
- cash in hand	19	254,187	190,254
Current and other accounts			
- bank balances	20	395,172,342	146,170,437
		395,426,529	146,360,691

The annexed notes from 1 to 52 form an integral part of these financial statements.


Mohammed Rahat Sadiq
 Chief Executive Officer


Huma Waheed
 Director


Khawas Khan Niazi
 Director/President


Ch. Habib-ur-Rehman
 Chairman

Statement of Premiums/Contributions

For the year ended December 31, 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN Conventional business

Class	Premiums written		Unearned premium reserve		Premiums earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expenses	Net premium revenue	Net premium revenue
	Opening	Closing	Opening	Closing			Opening	Closing		2014	2013
-----Rupees-----											
Direct & facultative											
Fire and property damage	490,848,268	113,566,153	288,987,733	288,987,733	315,426,688	192,750,044	44,131,535	125,426,969	111,454,610	203,972,078	131,282,918
Marine, aviation and transport	205,930,036	51,721,384	111,136,458	111,136,458	146,514,962	100,258,453	22,605,809	68,856,054	54,008,208	92,506,754	77,699,121
Motor	531,990,890	179,132,622	267,585,560	267,585,560	443,537,952	13,787,741	1,000,872	5,946,456	8,842,157	434,695,795	354,350,344
Miscellaneous	1,245,974,591	533,464,755	690,061,442	690,061,442	1,089,377,904	544,844,351	104,242,069	365,237,019	283,849,401	805,528,503	545,208,985
TOTAL	2,474,743,785	877,884,914	1,357,771,193	1,357,771,193	1,994,857,506	851,640,589	171,980,285	565,466,498	458,154,376	1,536,703,130	1,108,541,368

Window Takaful Operations-Statement of Contributions

Class	Contribu- tions written	Wakala fee	Net contributions	Unearned contribution reserve		Contribu- tions earned	Re-takaful ceded	Prepaid re-takaful contribution		Re-takaful expenses	Net contribu- tion revenue 2014
				Opening	Closing			Opening	Closing		
-----Rupees-----											
Direct & facultative											
Fire and property damage	9,657,162	3,862,862	5,794,300	-	5,424,852	369,448	2,101,513	-	1,967,519	133,994	235,454
Marine, aviation and transport	7,974,261	3,180,404	4,793,857	-	4,572,657	221,200	473,464	-	451,613	21,851	199,349
Motor	9,953,147	3,971,735	5,981,412	-	5,550,970	430,442	1,657,819	-	1,539,808	118,011	312,431
Health and Miscellaneous	96,142,905	38,666,128	57,476,777	-	53,363,951	4,112,826	20,615,641	-	19,142,694	1,472,947	2,639,879
TOTAL	123,727,475	49,681,129	74,046,346	-	68,912,430	5,133,916	24,848,437	-	23,101,634	1,746,803	3,387,113

The annexed notes from 1 to 52 form an integral part of these financial statements.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Statement of Claims

For the year ended December 31, 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN
Conventional business

Class	Outstanding claims		Claims expense	Reinsurance and other recoveries received		Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expenses 2014	Net claims expenses 2013
	Opening	Closing		Opening	Closing	Opening	Closing			
-----Rupees-----										
Direct & facultative										
1. Fire and property damage	149,834,173	264,200,470	584,875,878	470,509,581	102,945,178	232,815,206	513,935,870	384,065,842	86,443,739	78,778,882
2. Marine, aviation and transport	500,578,468	313,084,695	166,290,855	353,784,628	480,419,849	301,516,447	146,013,000	324,916,402	28,868,226	60,492,352
3. Motor	85,994,852	20,293,972	17,973,860	83,674,740	2,912,390	2,493,500	4,008,860	4,427,750	79,246,990	104,452,327
4. Miscellaneous	548,481,019	20,632,911	298,136,153	825,984,261	339,140,389	6,490,423	268,460,875	601,110,841	224,873,420	79,359,082
TOTAL	1,284,888,512	618,212,048	1,067,276,746	1,733,953,210	925,417,806	543,315,576	932,418,605	1,314,520,835	419,432,375	323,082,643

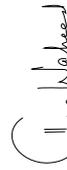
Window Takaful Operations-Statement of Claims

Class	Claims paid		Provision for outstanding claims		Claims expense	Re-takaful and other recoveries received	Re-takaful and other recoveries in respect of outstanding claims		Re-takaful and other recoveries revenue	Net claims expenses 2014
	Opening	Closing	Opening	Closing			Opening	Closing		
-----Rupees-----										
Direct & facultative										
Fire and property damage	-	-	-	-	-	-	-	-	-	-
Marine, aviation and transport	-	-	1,000,000	1,000,000	1,000,000	-	773,414	773,414	226,586	
Motor	28,110	-	65,000	93,110	93,110	-	12,500	12,500	80,610	
Health and Miscellaneous	3,736,753	-	1,380,153	5,116,906	5,116,906	-	671,341	3,028,051	2,088,855	
TOTAL	3,764,863	-	2,445,153	6,210,016	6,210,016	-	1,457,255	3,813,965	2,396,051	

The annexed notes from 1 to 52 form an integral part of these financial statements.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Statement of Expenses

For the year ended December 31, 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN
Conventional business

Class	Commissions paid or payable		Deferred commission		Net commission expense	Other management expenses (Note 35)	Underwriting expenses	Commission on reinsurance	Unearned commission		Net Commission from reinsurance	Net underwriting expenses 2014	Net underwriting expenses 2013
	Opening	Closing	Opening	Closing					Opening	Closing			
-----Rupees-----													
Direct & facultative													
1. Fire and property damage	75,987,844	20,930,510	47,344,868	49,573,486	60,387,432	109,960,918	13,923,709	1,281,322	9,060,483	6,144,548	103,816,370	46,420,811	
2. Marine, aviation and transport	19,259,954	6,147,767	11,049,545	14,358,176	25,334,888	39,693,064	8,334,519	-	5,724,027	2,610,492	37,082,572	25,910,114	
3. Motor	48,322,673	15,996,660	25,682,040	38,637,293	138,589,451	177,226,744	-	-	-	-	177,226,744	142,673,167	
4. Miscellaneous	77,535,003	29,855,338	45,746,764	61,643,577	153,228,117	214,931,694	75,585,072	19,113,374	49,838,179	44,860,267	170,071,427	133,573,865	
TOTAL	221,105,474	72,930,275	129,823,217	164,212,532	377,699,887	541,812,420	97,843,300	20,394,696	64,622,689	53,615,307	488,197,113	348,577,957	

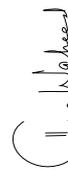
Window Takaful Operations-Statement of expenses

Class	Commission paid or payable	Deferred commission		Net commission expenses	Direct expenses	Underwriting Expenses	Rebate on re-takaful	Unearned retakaful rebate		Net rebate on re-takaful expense	Net takaful expense 2014
		Opening	Closing					Opening	Closing		
-----Rupees-----											
Direct & facultative											
Fire and property damage	1,984,411	-	1,859,441	124,970	37,078	162,048	420,022	-	393,242	26,780	135,267
Marine, aviation and transport	1,555,615	-	1,484,206	71,409	30,617	102,026	109,878	-	104,807	5,071	96,955
Motor	811,033	-	750,417	60,616	38,214	98,830	-	-	-	-	98,830
Health and Miscellaneous	5,945,169	-	5,554,365	390,804	369,133	759,937	4,131,292	-	3,794,165	337,127	422,810
TOTAL	10,296,228	-	9,648,429	647,799	475,042	1,122,841	4,661,192	-	4,292,214	368,978	753,862

The annexed notes from 1 to 52 form an integral part of these financial statements.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Statement of Investment Income

For the year ended December 31, 2014

	2014 Rupees	2013 Rupees
Income from non-trading investments:		
Available for sale		
Dividend income	2,205,312	9,958,486
Gain / (loss) on sale of 'available for sale' investments	6,341,054	(3,129,214)
	8,546,366	6,829,272
Held to maturity		
Return on Government securities	42,850,504	23,722,382
Return on Fixed deposit receipts	9,783,702	10,292,601
Amortization of discount on preference shares	1,273,311	-
	53,907,517	34,014,983
Reversal / (Provision) for impairment in value of investment	2,532,117	(3,992,583)
Investment related expenses	(1,581,978)	(2,162,324)
Net investment income	63,404,022	34,689,348

The annexed notes from 1 to 52 form an integral part of these financial statements.



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Notes to the Financial Statements

For the year ended December 31, 2014

1 LEGAL STATUS AND NATURE OF BUSINESS

The United Insurance Company of Pakistan Limited (hereinafter called "the company ") was incorporated on October 20, 1959, as a Public Limited Company under the Defunct Companies Act, 1913, now the Companies Ordinance, 1984, and its shares are quoted on Karachi Stock Exchange (Guarantee) Limited. The Registered Office of the company is situated at 204, 2nd floor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi, and its Head Office is located in Lahore. The principal activity of the company is General Insurance Business and qualifies as a domestic insurance company under Insurance Ordinance, 2000 and undertakes Fire, Marine, Motor and Miscellaneous General insurance. The company has been allowed to work as Window Takaful Operator on August 18, 2014 by Securities and Exchange Commission of Pakistan under Takaful Rules, 2012 to carry on Islamic General Takaful in Pakistan. It has not transacted any insurance business outside Pakistan.

For the purpose of carrying on the takaful business, the company has formed a waqf/participants' takaful fund (PTF) on June 09, 2014 under a trust deed. The trust deed governs the relationship of shareholders and policy holders for management of takaful operations.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the format of financial statements prescribed under Securities and Exchange Commission (Insurance) Rules, 2002, [SEC (Insurance) Rules, 2002] vide S.R.O. 938 dated December 12, 2002.

These financial statements reflect the financial position and results of conventional business and window takaful operations which includes operators' fund and the PTF in a manner that assets, liabilities, income and expenses of the conventional business and window takaful operations remains separately identifiable.

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standard (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, and SEC (Insurance) Rules, 2002 and Takaful Rules, 2012. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 shall prevail. Securities and Exchange commission of Pakistan is in process of issuing accounting guidelines for window takaful operations for better presentation of financial information in financial statements. of window takaful operations.

The SECP has allowed the insurance companies to defer the application of International Accounting Standard-39 (IAS-39) "Financial Instruments: Recognition and Measurement" in respect of valuation of 'available-for-sale investments'. Accordingly, the requirements of IAS-39, to the extent required by SECP as aforesaid, have not been considered in the preparation of these financial statements.

2.2 Basis of measurement

These financial statements have been prepared on the basis of the historical cost convention, except for certain investments, which are stated at fair value, and certain obligations under employee retirement benefits which are measured at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the company's functional currency and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest

Notes to the Financial Statements

For the year ended December 31, 2014

rupee, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities as well as income and expenses.

The judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the current and future periods if the revision affects both current and future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

		Note
-	Provision for unearned premiums/contributions and bad debts	4.2
-	Provision for outstanding claims (including IBNR)	4.4
-	Deferred commission /unearned commission /rebate on retakaful	4.6
-	Premium/Contribution deficiency reserve	4.7
-	Staff retirement benefits	4.16
-	Taxation and deferred tax	4.9
-	Impairment in value of investments	4.19
-	Useful lives of fixed assets	4.13
-	Segment reporting	4.18
-	Allocation of management expenses	4.21

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT YEAR:

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 January 2014 but are considered not to be relevant or do not have any significant effect on the Company's financial statements and are therefore not detailed in these financial statements.

Notes to the Financial Statements

For the year ended December 31, 2014

3.1 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning on or after 1 January 2015:

- Amendments to IAS 19 "Employee Benefits" Employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria. The amendments have no impact on the Company's financial statements.
- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are "highly correlated", or when the intangible asset is expressed as a measure of revenue. The amendments have no impact on the Company's financial statements.
- IFRS 10 'Consolidated Financial Statements' - (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and separate Financial Statements. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual period beginning on or after 1 January 2016. The adoption of this standard would have no impact on the Company's financial statements"
- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped off the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard would have no impact on the Company's financial statements.
- IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard would have no impact on the Company's financial statements.
- IFRS 13 „Fair Value Measurement effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard would have no impact on the Company's financial statements.

Notes to the Financial Statements

For the year ended December 31, 2014

- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments have no impact on the Company's financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that is used in the supply of agricultural produce is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:

- IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting conditions' by separately defining 'performance condition and service condition
- IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination.
- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria.
- Amendments to IAS 16 "Property, plant and equipment" and IAS 38 „Intangible Assets . The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.
- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity either directly or through a group entity.
- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e.reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

Notes to the Financial Statements

For the year ended December 31, 2014

- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.
- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or Government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as set below have been applied consistently to all periods presented in these financial statements except for the additional accounting policies related to window takaful operations commenced during the year.

4.1 Insurance contracts

Insurance contracts are those contracts where the company (the insurer) has accepted significant insurance risk from another party (the policy holders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

Insurance contracts are classified into following main categories, depending on the nature and duration of risk and whether or not the terms and conditions are fixed.

- Fire and property damage
- Marine, aviation and transport
- Motor
- Miscellaneous

Fire and property insurance contracts mainly compensate the company's customers for damage suffered to their properties or for the value of property lost.

Marine Insurance covers the loss or damage of vessels, cargo, terminals and any transport of property by which cargo is transferred, acquired or held between the points of origin and final destination.

Motor insurance provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident.

Other various types of insurance are classified in miscellaneous category which includes mainly engineering, crop and livestock, personal accident, worker compensation, travel, products of financial institutions and health insurance etc.

The company does not issue any insurance contracts with discretionary participation features (DPF) or any investment contracts.

a Takaful Contracts

The Takaful contracts are based on the principles of Wakala. The takaful contracts so agreed usually inspire concept of tabarru (to donate for benefit of others) and mutual sharing of losses with the overall objective of eliminating the element of uncertainty. Contracts under which the Participant Takaful Fund (PTF) accepts

Notes to the Financial Statements

For the year ended December 31, 2014

significant takaful risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the takaful event) adversely affects the policyholder are classified as takaful contracts. Takaful risk is significant if a takaful event could cause the PTF to pay significant benefits due to the happening of the takaful event compared to its non happening. Once a contract has been classified as a takaful contract, it remains a takaful contract for the remainder of its lifetime, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired. The PTF underwrites non-life takaful contracts that can be categorized into Fire and Property, Marine, Aviation and Transport, Motor, Health and Miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the PTF under which the contract holder is another takaful operator / insurer of a facultative nature are included within the individual category of takaful contracts, other than those which fall under the Treaty.

4.2 Premium / Contribution

Premium written under a policy is recognized as income over the period of insurance from the date of issuance of the policy to which it relates to its expiry. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. The portion of premium written relating to the unexpired period of coverage is recognized as unearned premium by the company. This liability is calculated by applying 1/24 method as specified in the SEC (Insurance) Rules, 2002.

Premium income includes administrative surcharge that represents documentation and other charges recovered by the company from policy holders in respect of policies issued, at the rate of 5% of the premium written subject to a maximum of Rs. 2,000 per policy.

Receivables under insurance contracts are recognized when due at the fair value of consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the company reduces the carrying amount of the receivable accordingly and recognizes that impairment loss in profit and loss account.

a Takaful contributions

Contributions including administrative surcharge received / receivable (if any) under a takaful policy are recognized as written at the time of issuance of policy and recorded as income of the PTF. Contributions are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on contributions. Takaful Contribution income under a policy is recognized as income of PTF over the period of takaful net off wakala fee. Administrative surcharge recovered from insurer is recognized as part of contribution in the case of co-takaful policies (Leader Follower Case) on proportionate basis. The unearned portion of contribution written net of wakala is set aside as a reserve and is recognized as a liability. Such reserve is calculated according to the ratio of the unexpired period of the policy and the total period, both measured to the nearest day. The Unearned portion of Health Takaful is calculated in accordance with the advice of Actuary.

Contributions due but unpaid represents the amount due from participants on account of takaful contracts. These are recognized at cost, which is the fair value of the contribution to be received less provision for impairment, if any.

b Wakala Fee

The company manages the general takaful operations for the participants and charges 40% on gross contribution for all classes as wakala fee against the services. It is recognised upfront on the issue of Takaful Policy.

4.3 Reinsurance ceded / Retakaful Ceded

Insurance/takaful contracts entered into by the Company with reinsurers/retakaful for compensation of losses

Notes to the Financial Statements

For the year ended December 31, 2014

suffered on insurance contracts issued are reinsurer contracts. These reinsurance contracts include both facultative and treaty arrangement contracts.

The company enters into reinsurance/ retakaful contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums/contributions are accounted for in the same period as the related premiums/contributions for the direct or accepted reinsurance/retakaful business being reinsured.

Reinsurance/retakaful liabilities represent balance due to reinsurance/retakaful companies. Amounts payable are estimated in a manner consistent with the related reinsurance/retakaful contract. Reinsurance/retakaful assets represent balances due from reinsurance/retakaful companies. Amounts recoverable from reinsures/retakaful are estimated in a manner consistent with the provisions for outstanding claims or settled claims associated with the reinsurance/retakaful policies and are in accordance with the related reinsurance/retakaful contract.

Reinsurance/retakaful assets are not offset against related insurance/takaful liabilities. Income or expenses from reinsurance/retakaful contract are not offset against expenses or income from related insurance/takaful assets.

Reinsurance / retakaful assets or liabilities are derecognized when the contractual rights are extinguished or expire.

The company assesses its reinsurance/retakaful assets for impairment on balance sheet date. If there is objective evidence that reinsurance/retakaful assets are impaired, the company reduces the carrying amount of the reinsurance/retakaful assets to its recoverable amount and recognizes that impairment loss in the profit and loss account.

4.4 Claims expense

General insurance/takaful claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

The company recognizes liability in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of incident giving rise to the claims except as otherwise expressly indicated in an insurance/ takaful contract. The liability for claims include amounts relating to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Provisions for liability in respect of unpaid reported claims are made on the basis of individual case estimates. Provision for IBNR is based on the management's best estimate which takes into account the past trends, expected future patterns of reporting of claims and the claims actually reported subsequent to the balance sheet date.

IBNR for health and personal accident is determined and recognized in accordance with valuation carried out by an appointed actuary.

4.5 Reinsurance/Retakaful recoveries against outstanding claims

Claims recoveries recoverable from the reinsurer/retakaful are recognized as an asset at the same time as the claims which give rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received.

Notes to the Financial Statements

For the year ended December 31, 2014

4.6 Commission income, expense and other acquisition costs

Commission expenses and other acquisition costs are charged to the profit and loss account at the time the policies are accepted. Commission income from reinsurers is recognized at the time of issuance of the underlying insurance policy by the company. This income is deferred and recognized as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission. Profit/commission, if any, which the company may be entitled to under the terms of reinsurance is recognized on accrual basis.

a Rebate on Retakaful

Rebate on retakaful is recognised as income of PTF according to the requirements of Takaful Rules, 2012. Rebate on retakaful is spread over the tenure of the policies ceded on the basis of expired period of the policy and the total period, both measured to the nearest day. The unearned portion of rebate from re-takaful is set aside as a reserve. Such reserve is calculated as a portion of the gross contribution of each policy, determined according to the ratio of the unexpired period of the policy and the total period both measured to the nearest day.

4.7 Premium/Contribution deficiency reserve

The company maintains a provision in respect of premium/contribution deficiency for the class of business where the unearned premium liability is not adequate to meet the expected future liability after reinsurance/retakaful, from claims and other supplementary expenses expected to be incurred after the balance sheet date in respect of the unexpired policies in that class of business at the balance sheet date. The movement in the premium/contribution deficiency reserve is recorded as an expense / income in profit and loss account for the year.

For this purpose, loss ratios for each class are estimated based on historical claim development. Historical experience is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. Further, actuarial valuation has been carried out to determine the amount of premium deficiency reserves in respect of Accident and Health insurance/takaful as required by SRO 16 (I) / 2012 issued by Securities and Exchange Commission of Pakistan on January 9, 2012. If these ratios are adverse, premium deficiency is determined. The loss ratios estimated on these basis for the unexpired portion are as follows:

- Fire and property damage	51%
- Marine, aviation and transport	49%
- Motor	36%
- Miscellaneous	23%

Based on analysis of combined operating ratio for the expired period of each reportable segment, the management considers that the unearned premium/contribution reserve for all the classes of business as at the year end is adequate to meet the expected future liability after reinsurance/retakaful from claims and other expenses expected to be incurred after the balance sheet date in respect of policies in those classes of business in force at the balance sheet date. Hence no reserve for the same has been made in these financial statements.

4.8 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the services received, whether or not billed to the company.

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet

Notes to the Financial Statements

For the year ended December 31, 2014

date and adjusted to reflect the current best estimate.

4.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in other comprehensive income or below equity, in which case it is recognized in other comprehensive income or below equity.

4.9.1 Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also include adjustments, where considered necessary, to the provision for taxation made in previous years arising from assessments finalized during the current year for such years.

4.9.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

4.10 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash, cheques, pay orders, demand drafts and balances with banks.

4.11 Investments

4.11.1 Recognition

All investments are initially recognized at cost, being the fair value of the consideration given and including transaction cost, except for held for trading investments in which case transaction costs are charged to the profit and loss account. These are classified into the following categories:

- Held to maturity
- Available for sale
- Investment in associate

4.11.2 Measurement

Held to maturity

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at cost. At subsequent reporting dates, these are measured at amortized cost using the effective yield method.

Notes to the Financial Statements

For the year ended December 31, 2014

Any premium paid or discount availed on acquisition of held to maturity investments is deferred and amortized over the term of the investment using the effective yield unless the impact of amortization is immaterial to the financial statements.

Income from held to maturity investments is recognized on a time proportion basis taking into account the effective yield on the investments.

The difference between the redemption value and the purchase price of the held to maturity investments is amortized and taken to the profit and loss account over the term of investment.

Available for sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity.

Subsequent to initial recognition at cost, these are stated at the lower of cost or market value (market value being taken as lower if fall is other than temporary) in accordance with the requirements of the S.R.O. 938 issued by the Securities and Exchange Commission of Pakistan (SECP), in December 2002. The company uses latest stock exchange quotation to determine the market value of its quoted investments.

Dividend income and entitlement of bonus shares are recognized when the company's right to receive such dividend and bonus shares is established.

Gain / (loss) on sale of available for sale investments is recognized in profit and loss account.

Return on fixed income securities classified as available-for-sale is recognized on a time proportion basis.

Had these investments been measured at fair value as required by IAS - 39 - Financial Instruments: Recognition and Measurement, the Company's net equity would have been higher by Rs. 1.369 million at December 31, 2014 (2013: Rs. 2.128 million).

Investment in associates

Entities in which the Company has significant influence but not control and which are neither its subsidiary nor joint ventures are associates and are accounted for by using the equity method of accounting.

Under equity method of accounting, the investments are initially recognised at cost; thereafter its carrying amount is increased or decreased for the Company's share of post acquisition changes in the net assets of the associate and dividend distributions. Goodwill relating to an associate is included in carrying amount of the investment and is not amortised. The Company's share of the profit and loss of the associate is accounted for in the Company's profit and loss account, whereas changes in the associate's equity which has not been recognised in the associates' profit and loss account are recognised directly in other comprehensive income of the Company.

After application of equity method, the carrying amount of investment in associate is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognised in profit and loss account.

Notes to the Financial Statements

For the year ended December 31, 2014

4.12 Rental and other income

Rental and other incomes are recognized as and when accrued.

4.13 Fixed assets

4.13.1 Owned

These are stated at cost less accumulated depreciation except for freehold land, which is stated at cost, and certain buildings which are stated at revalued amount so as to keep the carrying value equal to the fair market value of the asset.

Depreciation on all fixed assets is charged to profit and loss account on the reducing balance method so as to write off depreciable amount of an asset over its useful life at the rates stated in note 33. Depreciation on additions to fixed assets is charged on "number of day's basis".

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.13.2 Leased

Finance Lease

Assets held under finance lease are stated at lower of present value of minimum lease payments under the lease agreements and their fair value. Aggregate amount of obligations relating to assets subject to finance lease are accounted for at net present value of liabilities.

Assets acquired are depreciated over their expected useful life on reducing balance method on the basis of number of days, at the rates mentioned in the relevant note.

Operating lease

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In case lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis.

4.13.3 Capital work-in-progress

Capital work-in-progress is carried at cost. It consists of advances made to suppliers in respect of tangible and intangible fixed assets, contractor fee and labor for property construction.

Notes to the Financial Statements

For the year ended December 31, 2014

4.14 Surplus on revaluation of fixed assets

In accordance with the provisions of section 235 of the Companies Ordinance, 1984 and SRO 45(1) 2003, the company has the policy to charge surplus account for incremental depreciation of related revalued assets by transferring the amounts to retained earnings.

4.15 Investment property

Investment properties is held for earning rentals and capital appreciation. Investment property is accounted for under the cost model in accordance with International Accounting Standards (IAS) 40 'Investment property' and SRO 938 issued by the Securities and Exchange Commission of Pakistan.

Depreciation policy, subsequent capital expenditures and gain/ losses on disposal are accounted for in the same manner as tangible fixed assets.

4.16 Staff retirement benefits

Defined benefit plan

The company's retirement benefits plan comprises of gratuity scheme for all the eligible employees, who have completed the minimum qualifying period of service.

The actuarial valuation of gratuity scheme for both conventional and window takaful operations is carried out by an independent valuer as at December 31, 2013 using the projected unit credit method. The basic assumptions used for actuarial valuation are disclosed in note 12.

The Company has adopted IAS 19 (revised) which require actuarial gains or losses to be recognised in other comprehensive income when they occur. Amounts recorded in profit and loss are limited to current and past service costs, gains or losses on settlements and net interest income (expense).

4.17 Financial instruments

Financial assets and financial liabilities within the scope of IAS - 39 are recognized at the time when the company becomes a party to the contractual provisions of the instrument and de-recognized when the company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognizing of the financial assets and financial liabilities is included in the profit and loss account for the year.

Financial instruments carried on the balance sheet include cash and bank deposits, investments, premium/contribution due but unpaid, amount due from other insurers/reinsurers and takaful/retakaful parties premium/contribution and claim reserves detained by cedants, accrued investment income, reinsurance/retakaful recoveries against outstanding claims, sundry receivables, provision for outstanding claims, amounts due to other insurers/reinsurers and takaful/retakaful parties, other creditors and accruals and liabilities against assets subject to finance lease.

The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.17.1 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

Notes to the Financial Statements

For the year ended December 31, 2014

4.18 Segment reporting

A business segment is a distinguishable component of the company that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The company accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 as the primary reporting format.

Based on its classification of insurance/takaful contracts issued, the company has four primary business segments for reporting purposes namely fire, marine, motor and miscellaneous. The nature and business activities of these segments are disclosed in respective notes to the Financial Statements.

Assets and liabilities are allocated to particular segments on the basis of premium written. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated assets and liabilities. Depreciation and amortization are allocated to a particular segment on the basis of contribution/premium written.

4.19 Impairment

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. In addition impairment on available for sale investments and reinsurance/retakaful assets are recognized as follows:

4.19.1 Available for sale

The company determines that available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the company evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

4.19.2 Reinsurance / Retakaful assets

The company determines the impairment of the reinsurance/retakaful assets by looking at objective evidence, as a result of an event that occurred after initial recognition of the reinsurance/retakaful assets, which indicates that the company may not be able to recover amount due from reinsurer/retakaful under the terms of reinsurance/retakaful parties contract. In addition the company also monitors the financial ratings of its reinsurers/retakaful on each reporting date.

4.20 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the date of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses on translation are recognized in the profit and loss account. All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.21 Management and administrative expenses

Expenses of management allocated to the underwriting business represent directly attributable expenses and indirect expenses allocated to the various classes of business on the basis of gross premium revenue. Expenses not allocable to the underwriting business are charged as administrative expenses. Administrative and management expenses of takaful business are allocated to revenue account of operator as per requirements of Takaful Rules, 2012.

Notes to the Financial Statements

For the year ended December 31, 2014

4.22 Takaful Surplus

Takaful surplus attributable to the participants is calculated after charging all direct cost and setting aside various reserves and charity. Allocation to participants, if applicable, is made after deducting the claims paid to them during the year. Further, surplus will be distributed to participants after payment of qarz e hasna to operator

4.23 Qarz-e-Hasna

Qarz-e-Hasna is provided by Operator to PTF in case of deficit in PTF. However, such amount is eliminated while consolidating the financial statements.

4.24 Zakat

Zakat on investment income is accounted for in the year of deduction, under Zakat & Ushr Ordinance, 1980.

4.25 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.26 Bonus shares

Reserve for issue of bonus shares is created in the year in which such an issue is approved.

4.27 Related party transactions

Party is said to be related if they are able to influence the operating and financial decisions of the company and vice versa. The company in the normal course of business carries out transactions with related parties. Transactions with related parties are priced at comparable uncontrolled market price method and are carried out at arm's length prices.

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 Rupees	2013 Rupees
6 RESERVES			
Reserve for bonus shares	6.1	-	-
General reserve	6.2	75,115,917	75,115,917
		75,115,917	75,115,917
6.1 Reserve for bonus shares			
Balance at the beginning of the year		-	-
Transfer from unappropriated profit		218,057,204	131,257,596
Bonus share issued		(218,057,204)	(131,257,596)
Balance at the end of the year		-	-
6.2 General reserve			
Balance at the beginning of the year		75,115,917	75,115,917
Transfer from unappropriated profit		-	-
Balance at the end of the year		75,115,917	75,115,917

7 SURPLUS ON REVALUATION OF FIXED ASSETS

7.1 The land and buildings of the company have been revalued by independent Valuer using market value basis method on September 30, 2012, resulting in a further surplus of Rs.23,637,290/- on land and Rs.32,995,264/- on buildings. Fair values are determined by using observable prices in an active market on arm's length terms. All the revaluation surplus is charged to Surplus on Revaluation of Fixed Assets Account as per requirements of Section 235 of the Companies Ordinance, 1984. Revaluation surplus is carried at the amount after adjustment of deferred taxation and incremental depreciation. The buildings of the company were previously revalued by the independent valuer as on December 31, 2006, resulting in surplus of Rs. 2,654,211/-.

	Note	2014 Rupees	2013 Rupees
7.2 Movement in revaluation surplus			
Surplus on land			
Opening balance		23,637,290	23,637,290
Add: additions made during the year		-	-
Total revaluation surplus on land		23,637,290	23,637,290

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 Rupees	2013 Rupees
Surplus on building			
Opening balance		29,170,974	35,649,475
Add: Revaluation during the year		-	-
Less: Realization of surplus on disposal of building		-	(6,478,501)
Total revaluation surplus on building		29,170,974	29,170,974
Less:			
Incremental depreciation charged in previous years		(2,470,590)	(1,146,954)
Add: Incremental depreciation charged to building in previous years		-	401,490
Incremental depreciation charged in current year	7.3	(1,335,019)	(1,725,126)
		(3,805,609)	(2,470,590)
<i>Revaluation surplus on buildings net off incremental depreciation</i>		25,365,365	26,700,384
Related deferred tax liability		(9,345,134)	(12,075,882)
Less: Related deferred tax liability on realization		-	2,126,954
Less: Related deferred tax liability on incremental depreciation transferred to retained earnings	7.3	440,556	603,794
		(8,904,578)	(9,345,134)
Net revaluation surplus on buildings		16,460,787	17,355,250
Closing balance		40,098,077	40,992,540
7.3	Incremental depreciation is the difference between the actual depreciation expense and depreciation at the historical cost values.		
8	WAQF/PARTICIPANTS' TAKAFUL FUND - (PTF)		
Waqf money	8.1	500,000	-
Surplus for the period-Revenue account (PTF)		941,108	-
		1,441,108	-
8.1	The amount of Rs.500,000/- has been set a part for Waqf Fund/Participant Takaful Fund as Waqf money according to the Waqf deed prepared for the purpose of creation of Waqf Fund/Participant Takaful Fund.		
9	PROVISION FOR OUTSTANDING CLAIMS (INCLUDING IBNR)		
Provision for outstanding claims (including IBNR) - conventional business		1,067,276,746	618,212,048
Provision for outstanding claims (including IBNR) - PTF		2,445,153	-
		1,069,721,899	618,212,048

Notes to the Financial Statements

For the year ended December 31, 2014

	2014 Rupees	2013 Rupees
10 PROVISION FOR UNEARNED PREMIUM/CONTRIBUTION		
Provision for unearned premium - conventional business	1,357,771,193	877,884,914
Provision for unearned contribution - PTF	68,912,430	-
	1,426,683,623	877,884,914
11 COMMISSION INCOME / RE-TAKAFUL REBATE UNEARNED		
Commission income unearned - conventional business	64,622,689	20,394,696
Re-takaful rebate unearned - PTF	4,292,214	-
	68,914,903	20,394,696

12 STAFF RETIREMENT BENEFITS

The actuarial valuation is carried out annually and contributions are made accordingly. Following were significant assumptions used for valuation of the scheme.

- Discount rate used for year end obligation	10.5 % p.a	12.5 % p.a
- Discount rate used for profit and loss charge	12.5 % p.a	11 % p.a
- Expected rate of increase in the salaries of the employees	9.5 % p.a	11.5 % p.a
- Expected rate of return on plan assets	11.25 % p.a	8.07 % p.a
- Expected service length of employees	6 years	6 years

12.1 Balance sheet liability

Present value of defined benefits obligations as at the end of the year	70,173,470	56,282,584
Less: Fair value of plan assets	(8,067,544)	(6,517,705)
Total liability at the end of the year	62,105,926	49,764,879

12.2 Present value of defined benefits obligations as at the end of the year includes Rs.766,216/- relating to window takaful operations

Notes to the Financial Statements

For the year ended December 31, 2014

	2014 Rupees	2013 Rupees
12.3 Movement in liability/ (asset) during the year		
Opening balance	49,764,879	40,500,124
Charge to profit and loss account - conventional business	18,116,463	14,413,768
Charge to profit and loss account - window takaful operations	766,216	
Liability transferred to short-term liability	-	(1,910,000)
Charge in other comprehensive income	(2,782,560)	2,516,121
Contribution during the year	(3,759,072)	(5,755,134)
Closing balance	62,105,926	49,764,879
12.4 Reconciliation of present value of defined benefits obligations		
Present value of defined benefits obligations as at January 01	56,282,584	45,121,946
Current service cost	12,897,052	9,958,754
Interest cost	6,862,840	4,963,414
Benefit due but not paid (payables)	-	(1,910,000)
Benefits paid	(2,759,072)	(4,214,134)
Experience adjustments	(3,109,934)	2,362,604
Present value of defined benefits obligations as at December 31	70,173,470	56,282,584
12.5 Changes in fair value of plan assets		
Fair value of Plan Assets as at January 01	6,517,705	4,621,822
Interest income on plan assets	877,213	508,400
Contributions during the year	3,759,072	5,755,134
Benefits paid during the year	(2,759,072)	(4,214,134)
Return on plan assets excluding interest income	(327,374)	(153,517)
Fair value of plan assets as at December 31	8,067,544	6,517,705
12.6 Charge to profit and loss account		
Current service cost - conventional business	12,130,836	9,958,754
Current service cost - window takaful operations	766,216	
Interest cost	6,862,840	4,963,414
Interest income on plan assets	(877,213)	(508,400)
Total amount charged to profit and loss account	18,882,679	14,413,768

Notes to the Financial Statements

For the year ended December 31, 2014

	2014 Rupees	2013 Rupees Restated
12.7 Charge in other comprehensive income		
Experience adjustments	(3,109,934)	2,362,604
Return on plan assets excluding interest income	327,374	153,517
Total remeasurements recognized in other comprehensive income	(2,782,560)	2,516,121
12.8 Actual return on plan assets		
Expected return on assets	877,213	508,400
Acturial loss	(327,374)	(153,517)
	549,839	354,883

	2014		2013	
	Fair value	Percentage	Fair value	Percentage
12.9 Composition of fair value of plan assets				
Cash and bank deposits	27,687	0.34%	20,525	0.31%
Term deposit receipts	8,039,857	99.66%	6,497,180	99.69%
	8,067,544	100.00%	6,517,705	100.00%

	2014	2013	2012	2011	2010
----- Rupees -----					
12.10 Historical data					
Present value of defined benefits obligations	70,173,470	56,282,584	45,121,946	48,152,180	36,006,397
Fair value of plan assets	(8,067,544)	(6,517,705)	(4,621,822)	(2,296,143)	-
	62,105,926	49,764,879	40,500,124	45,856,037	36,006,397
Experience adjustments					
- Acturial (gain) / loss on obligation	(3,109,934)	2,362,604	1,117,189	1,981,455	2,508,088
- Acturial (loss) / gain on assets	(327,374)	(153,517)	(39)	96,143	-

12.11 The estimated charge to profit and loss account for the defined benefit plan for the year ending December 31, 2015 is Rs. 2,340,697/-

Notes to the Financial Statements

For the year ended December 31, 2014

	2014 Rupees	
12.12 Sensitivity analysis on defined benefit obligation		
Discount rate + 100 bps	65,904,301	
Discount rate - 100 bps	75,060,302	
Salary increase + 100 bps	75,233,581	
Salary increase - 100 bps	65,397,784	
	2014 Rupees	2013 Rupees
13 DEFERRED TAXATION		
Deferred tax liabilities/ (assets) arising in respect of:		
Accelerated depreciation on property, plant and equipment	11,528,131	15,326,550
Liability against assets subject to finance lease	2,330,491	955,947
Premium due but unpaid	(5,739,092)	(8,929,296)
Provision for gratuity	(20,242,104)	(16,920,059)
Liability relating to revaluation surplus on building	8,904,579	9,345,134
Accrued investment income	10,096,409	8,895,540
	6,878,414	8,673,816
14 AMOUNTS DUE TO OTHER INSURERS/ REINSURERS & TAKAFUL / RE-TAKAFUL		
Conventional business	370,295,656	92,704,969
Window takaful operations-(PTF)	17,028,273	-
	387,323,929	92,704,969

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 Rupees	2013 Rupees
15 ACCRUED EXPENSES			
Conventional business	15.1	22,503,412	18,400,561
Window takaful operations	15.2	5,251,343	-
		27,754,755	18,400,561
15.1 Conventional business			
Salaries/ wages		18,034,754	14,198,196
Utilities		214,070	285,790
Auditors' remuneration		1,500,000	1,340,000
General expenses		2,754,588	2,576,575
		22,503,412	18,400,561
15.2 Window takaful operations			
Salaries/ wages		3,634,199	-
Utilities		1,417,144	-
Auditors' remuneration		200,000	-
		5,251,343	-
16 OTHER CREDITORS AND ACCRUALS			
Conventional business	16.1	64,344,061	49,430,293
Window takaful operations	16.2	12,573,468	-
		76,917,529	49,430,293
16.1 Conventional business			
Provision for Government levies		30,088,769	26,967,423
Miscellaneous		34,255,292	22,462,870
		64,344,061	49,430,293
16.2 Window takaful operations			
Provision for Government levies		1,378,730	-
Miscellaneous		11,194,738	-
		12,573,468	-

Notes to the Financial Statements

For the year ended December 31, 2014

17 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE-SECURED

Future minimum lease payments under finance lease together with the present value of the minimum lease payments are as follows:

	2014		2013	
	Minimum lease payments (MLP)	Present value of MLP	Minimum lease payments (MLP)	Present value of MLP
	----- Rupees -----			
Due within one year	32,501,568	24,724,644	12,623,545	10,400,741
Due after one year but not later than five year	44,872,743	40,912,666	13,344,645	12,302,589
Total minimum lease payments	77,374,311	65,637,310	25,968,190	22,703,330
Less: Lease finance charges allocable to future periods	(11,737,001)	-	(3,264,860)	-
Present value of MLP	65,637,310	65,637,310	22,703,330	22,703,330
Less : Current maturity under finance lease	(24,724,644)	(24,724,644)	(10,400,741)	(10,400,741)
Long term liability	40,912,666	40,912,666	12,302,589	12,302,589

The company intends to exercise its option to acquire leased vehicles upon completion of lease period. The average rate of interest implicit in the lease ranges from 14.54% to 20% per annum (2013: 14.54% to 20%). These are secured against personal guarantees of directors and chief executive of the company, demand promissory note for full lease rental plus residual value, security deposit and title of ownership of leased vehicles. These rentals are payable in equal monthly installments and there is no financial restriction in the lease agreements.

18 CONTINGENCIES & COMMITMENTS

18.1 Contingencies

There are no known contingencies on balance sheet date. (2013: Nil)

18.2 Commitments

There are no commitments on balance sheet date. (2013: Rs. 23 million for purchase of property).

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 Rupees	2013 Rupees
19 CASH AND OTHER EQUIVALENTS			
Conventional business		241,739	190,254
Window takaful operations		12,448	-
		254,187	190,254
20 CURRENT AND OTHER ACCOUNTS			
Conventional business	20.1	334,135,946	146,170,437
Window takaful operations	20.2	61,036,396	-
		395,172,342	146,170,437
20.1 Conventional business			
Current accounts		188,156,101	93,638,983
PLS Saving accounts		145,979,845	52,531,454
		334,135,946	146,170,437
20.2 Window takaful operations			
PLS Saving accounts - PTF		33,897,647	-
PLS Saving accounts - operators' fund		26,929,449	-
Current accounts - operators' fund		209,300	-
		61,036,396	-
20.3			
The rate of return on PLS saving accounts maintained at various banks range from 6% to 7.5% (2013: 6% to 8%) per annum.			
21 DEPOSITS MATURING WITHIN 12 MONTHS			
Conventional business	21.1	247,634,507	83,272,538
Window takaful operations	21.2	20,000	-
		247,654,507	83,272,538
21.1 Conventional business			
Fixed and term deposits	21.3	238,839,000	79,769,000
Lease security deposits		3,162,475	2,601,850
Miscellaneous security deposits		5,633,032	901,688
		247,634,507	83,272,538

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 Rupees	2013 Rupees
21.2 Window takaful operations			
Security deposits - PTF		20,000	-
		20,000	-
21.3	The rate of return on Term Deposit Certificates issued by various banking companies range from 7.25% to 16.7% (2013: 6% to 12.20%) per annum. These Term Deposit Certificates have maturity up to November 2015.		
22	DEPOSITS MATURING AFTER 12 MONTHS		
Conventional business	22.1	11,758,400	20,022,275
Window takaful operations	22.2	444,000	-
		12,202,400	20,022,275
22.1	Conventional business		
Fixed and term deposits	22.3	-	15,000,000
Lease security deposits		11,758,400	5,022,275
		11,758,400	20,022,275
22.2	Window takaful operations		
Rental security		444,000	-
		444,000	-
22.3	The rate of return on Term Deposit Certificates issued by various banking companies range from 7.25% to 16.7% (2013: 6% to 12.20%) per annum. These Term Deposit Certificates have maturity up to December 2016.		
23	LOANS TO EMPLOYEES AND AGENTS		
Unsecured			
Executives		5,174,927	7,041,500
Non-executives		5,231,599	2,922,100
	23.1	10,406,526	9,963,600

23.1 These represent interest free loans to employees and agents. These loans are considered good.

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 Rupees	2013 Rupees
24 INVESTMENTS			
Investment in associate	24.1	193,567,410	38,790,544
Available for sale	24.2	54,089,259	49,574,635
Held to maturity	24.3	394,968,832	324,128,070
		642,625,501	412,493,249

24.1 Investment in associate

24.1.1 Particulars of investment in associate

2014 Number of shares	2013	Face value per share (Rupees)	Name of associate	2014 Rupees	2013 Rupees
34,021,338	4,087,965	10	Apna Micro Finance Bank Limited	193,567,410	38,790,544
34,021,338	4,087,965			193,567,410	38,790,544

Market value of investment and percentage of holding in associate are Rs. 213,654,003/- and 30.93% respectively. (2013: 40,879,650 and 4%)

	Note	2014 Rupees	2013 Rupees
24.1.2 Movement in Investment in Associate			
Beginning of the year		38,790,544	11,605,456
Purchase during the year		155,059,325	27,185,088
		193,849,869	38,790,544
Share in loss of associate		(282,459)	-
Closing Balance		193,567,410	38,790,544

Notes to the Financial Statements

For the year ended December 31, 2014

24.1.3 The auditors of the associated company has expressed qualified opinion on financial statements for the year ended December 31, 2014. Summarised financial information extracted from audited financial statements of the associate as at December 31, 2014 (December 31, 2013) is given below:

	Note	2014 Rupees	2013 Rupees
Total assets		1,758,954,506	1,313,382,730
Total liabilities		(1,216,345,656)	(796,341,381)
Net assets		542,608,850	517,043,852
Company's share of net asset of associate		167,818,065	-
Total revenue		239,418,864	139,325,686
Profit / (loss) after taxation		6,147,859	(52,321,392)
24.2 Available for sale			
Ordinary shares of listed companies	24.2.2	47,468,012	55,485,505
Mutual fund certificates	24.2.4	10,000,000	-
		57,468,012	55,485,505
Less: Provision for impairment in value in investment	24.2.1	(3,378,753)	(5,910,870)
		54,089,259	49,570,635
24.2.1 Provision for impairment in value of investment			
Balance at the beginning of the year		5,910,870	1,918,287
Add: (Reversal) / provision for the year		(2,532,117)	3,992,583
		3,378,753	5,910,870

Notes to the Financial Statements

For the year ended December 31, 2014

24.2.2 Ordinary shares of listed companies

2014	2013	Face value per share	Name of entity	2014	2013
Number of shares		Rupees		Rupees	Rupees
			Commercial Banks		
1,600,000	165,000	10	Bank of Punjab	16,799,080	1,864,130
12,000		10	National Bank Of Pakistan	805,060	-
			Textile Spinning		
	12,500	10	Nagina Cotton Mills Limited		1,080,570
			Services		
15,000		10	CYAN Limited	1,676,455	-
			Chemicals		
5	5	10	ICI Pakistan	1,377	1,377
-	30,500	10	Engro Corporation Limited		5,046,483
145,800	385,000	10	Engro Foods Limited	15,212,625	44,923,145
15,000		10	Archroma Pakistan Limited	9,972,836	
10,000			Dawood Hercules Corporation	877,650	
300		10	Pak Gum & Chemical Limited	106,479	
1,000		10	Sitara Chemical Industries Limited	311,450	
			Insurance		
	23,000	10	Adamjee Insurance Company Limited		864,800
			Leasing		
155,000	155,000	10	SME Leasing Limited	1,705,000	1,705,000
1,954,105	771,005			47,468,012	55,485,505

24.2.3 Market value of available for sale investments on December 31, 2014 is Rs.45,458,087/- (December 31, 2013: Rs.49,614,190/-)

24.2.4 Mutual Fund Certificates

2014	2013	Unit Price	Name of entity	2014	2013
Number of units		(Rupees)		Rupees	Rupees
955,922	-	10.4611	ABL Cash Fund	10,000,000	-
-	-			-	-
955,922	-			10,000,000	-

24.2.5 Market value of mutual fund certificate on December 31, 2014 is Rs.10,000,000/- (December 31, 2013: Nil)

24.3 Held to maturity

Government securities	24.3.1	383,628,832	324,128,070
Preference shares - Silk Bank Limited	24.3.2	11,340,000	-
		394,968,832	324,128,070

Notes to the Financial Statements

For the year ended December 31, 2014

24.3.1 Government securities

Face value (Rupees)	Effective yield %	Profit payment	Types of security	Maturity date	2014 Rupees	2013 Rupees
268,500,000	11.53 - 13.00	Half yearly	Pakistan investment bonds - 10 years	19-Jul-2022	269,017,086	215,115,991
10,900,000	13.5	Half yearly	Pakistan investment bonds - 10 years	18-Aug-2021	10,085,194	10,110,246
9,100,000	13.2 - 14.08	Half yearly	Pakistan investment bonds - 10 years	22-Jul-2020	8,322,696	8,452,582
12,700,000	12.5	Half yearly	Pakistan investment bonds - 10 years	3-Sep-2019	12,433,650	12,456,447
61,300,000	12.57 - 14.86	Half yearly	Pakistan investment bonds - 10 years	30-Aug-2018	56,301,442	57,730,540
1,040,000	13.52 - 13.67	Half yearly	Pakistan investment bonds - 10 years	22-Aug-2017	835,126	894,197
10,000,000	13.35	Half yearly	Pakistan investment bonds - 10 years	19-Jul-2024	9,331,879	
2,500,000	10.78	Half yearly	Pakistan investment bonds - 5 years	18-Jul-2018	2,585,960	2,557,987
14,600,000	11.12 - 11.55	Half yearly	Pakistan investment bonds - 5 years	19-Jul-2017	14,715,799	14,619,598
-	12.29	Half yearly	Pakistan investment bonds - 5 years	3-Sep-2014	-	2,190,482
390,640,000					383,628,832	324,128,070

Market value of Pakistan Investment Bonds as at December 31, 2014 is Rs. 439,109,619/- (2013: Rs. 323,029,816/-)

The Pakistan Investment Bonds amounting to Rs. 127,652,672/- (2013: Rs. 91,429,816/-) are placed as statutory deposit with the State Bank of Pakistan in accordance with the requirements of clause (a) of the sub-section 2 of section 29 of the Insurance Ordinance 2000.

24.3.2 The company has acquired 3.6 million Convertible preference shares (CPS) of Silk Bank Limited amounting to Rs. 10.06 million (Rs. 2.8 per CPS) under the agreement dated January 28, 2014. The CPS are subordinate to all other liabilities including deposits of the Bank. These CPS have three year tenure ending March 2016 and are convertible into ordinary shares of the Bank at the conversion ratio of 1:1. There is no voting right and dividend on these CPS. The company has an option to exercise put option at the end of the tenure through which it can sell the CPS to Arif Habib Corporation Limited ("the Guarantor") at the strike price of Rs. 3.7 per CPS. The Silk Bank Limited is entitled to exercise Call option, which is exercisable in full or in parts at any time after the one year from the issue date i.e. March, 2013.

Notes to the Financial Statements

For the year ended December 31, 2014

25 INVESTMENT PROPERTY

2014										
Cost					Depreciation			Written down value		
	As at January 01, 2014	Addition	Disposal/ (adjustments)	As at December 31, 2014	Rate %	As at January 01, 2014	For the year	Disposal/ (adjustments)	As at December 31, 2014	As at December 31, 2014
	----- Rupees -----					----- Rupees -----				
Buildings	4,517,535	-	-	4,517,535	5	1,354,234	158,165	-	1,512,399	3,005,136
	<u>4,517,535</u>	<u>-</u>	<u>-</u>	<u>4,517,535</u>		<u>1,354,234</u>	<u>158,165</u>	<u>-</u>	<u>1,512,399</u>	<u>3,005,136</u>

2013										
Cost (Restated)					Depreciation (Restated)			Written down value		
	As at January 01, 2013	Addition	Disposal/ (adjustments)	As at December 31, 2013	Rate %	As at January 01, 2013	For the year	Disposal/ (adjustments)	As at December 31, 2013	As at December 31, 2013
	----- Rupees -----					----- Rupees -----				
Buildings	28,853,995	-	(24,336,460)	4,517,535	5	8,446,976	377,030	(7,469,772)	1,354,234	3,163,301
	<u>28,853,995</u>	<u>-</u>	<u>(24,336,460)</u>	<u>4,517,535</u>		<u>8,446,976</u>	<u>377,030</u>	<u>(7,469,772)</u>	<u>1,354,234</u>	<u>3,163,301</u>

25.1 Market value of building as at December 31, 2014 is Rs. 3,400,000/- (2013: Rs.3,400,000/-).

		Note	2014 Rupees	2013 Rupees
26	PREMIUMS/CONTRIBUTIONS DUE BUT UNPAID			
	Premium due but unpaid - conventional business	26.1	449,545,585	458,363,262
	Contribution due but unpaid - takaful	26.2	69,096,514	-
			<u>518,642,099</u>	458,363,262
26.1	Premium due but unpaid - conventional business			
	Unsecured			
	- Considered good		449,545,585	458,363,262
	- Considered doubtful		17,391,187	26,262,634
			<u>466,936,772</u>	484,625,896
	Less : Provision for doubtful receivables	26.1.1	(17,391,187)	(26,262,634)
			<u>449,545,585</u>	458,363,262

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 Rupees	2013 Rupees
26.1.1 Provision for doubtful receivables			
Balance at the beginning of the year		(26,262,634)	(29,014,195)
Provision made during the year		(10,662,255)	(7,788,326)
Bad debts recovered during the year		19,533,702	10,539,887
		(17,391,187)	(26,262,634)
26.2 Contribution due but unpaid - takaful			
Unsecured			
- Considered good		69,096,514	-
- Considered doubtful		-	-
		69,096,514	-
27 AMOUNTS DUE FROM OTHER INSURERS/ REINSURERS & TAKAFUL/RETAKAFUL			
Unsecured			
Amount due from other insurers / reinsurers - considered good		684,203,233	145,101,589
Amount due from other takaful / re-takaful - considered good		21,931,855	-
		706,135,088	145,101,589
28 PREPAID REINSURANCE PREMIUM/RE-TAKAFUL CONTRIBUTION CEDED			
Prepaid reinsurance premium ceded		565,466,498	171,980,285
Prepaid re-takaful contribution ceded - PTF		23,101,634	-
		588,568,132	171,980,285
29 REINSURANCE / RE-TAKAFUL RECOVERIES AGAINST OUTSTANDING CLAIMS			
Reinsurance recoveries against outstanding claims		932,418,605	543,315,576
Re-takaful recoveries against outstanding claims - PTF		1,457,255	-
		933,875,860	543,315,576
30 DEFERRED COMMISSION EXPENSE			
Deferred commission expense - conventional business		129,823,217	72,930,275
Deferred commission expense - takaful		9,648,429	-
		139,471,646	72,930,275
31 ADVANCE FOR PURCHASE OF SHARES			
Advance for purchase of shares of Apna Microfinance Bank Limited	31.1	-	215,302,941
		-	215,302,941

31.1 28,801,831 shares have been issued by Apna Micro Finance Bank Limited against Rs. 144,009,144/- and the remaining advance has been refunded.

Notes to the Financial Statements

For the year ended December 31, 2014

	Notes	2014 Rupees	2013 Rupees
32 SUNDRY RECEIVABLES			
Conventional business	32.1	58,886,671	122,639,305
Window takaful operations	32.2	1,197,856	-
		60,084,527	122,639,305
32.1 Conventional business			
Branch balances		36,051,164	36,507,303
Receivable against sale of building		-	30,905,688
Deposit against rent		11,268,300	9,185,868
Advance for purchase of property		-	12,500,000
Others		11,567,207	33,540,446
		58,886,671	122,639,305
32.2 Window takaful operations			
Branch Balances		934,898	-
Other advances and receivables		262,958	-
		1,197,856	-
33. FIXED ASSETS			
Owned			
Conventional business	33.1	552,507,822	551,615,506
Window Takaful operations	33.1.2	3,219,599	-
		555,727,421	551,615,506
Leased/ijarah			
Conventional business	33.1.1	72,699,404	25,514,941
window Takaful operations		-	-
		72,699,404	25,514,941
33.1 Owned assets - tangible			
Capital work in progress	33.1.6	19,134,958	2,886,600
		552,507,822	551,615,506

Notes to the Financial Statements

For the year ended December 31, 2014

26.1 The following is a statement of operating fixed assets:

	Owned assets							Leased assets				
	Freehold land	Buildings	* Furniture and fixtures "	Office equipment	Computer equipment	Vehicles	Cycles	Motor track- ing devices	Total	Vehicles	Total	Grand total
COST												
Balance as at January 01, 2013	102,665,500	151,316,663	121,379,100	30,881,438	12,210,895	338,355,105	86,275	15,443,000	772,337,976	50,513,000	50,513,000	822,850,976
Additions during the year	38,070,100	17,592,065	3,277,052	4,107,738	1,271,891	15,399,100	-	22,788,000	102,485,946	11,878,000	11,878,000	114,363,946
Disposals	-	(53,157,858)	(4,065,220)	(28,825)	(71,360)	(10,089,208)	-	-	(67,412,271)	-	-	(67,412,271)
Transfers/adjustments	-	24,336,460	-	-	-	27,352,000	-	-	51,688,460	(27,352,000)	(27,352,000)	24,336,460
Balance as at December 31, 2013	140,735,600	140,087,330	120,590,932	34,960,551	13,411,426	371,016,997	86,275	38,211,000	859,100,111	35,039,000	35,039,000	894,139,111
Balance as at January 01, 2014	140,735,600	140,087,330	120,590,932	34,960,551	13,411,426	371,016,997	86,275	38,211,000	859,100,111	35,039,000	35,039,000	894,139,111
Additions during the year	32,271,050	3,600,000	4,062,823	3,036,228	3,580,281	8,871,504	7,000	24,251,000	79,679,886	63,314,500	63,314,500	142,994,386
Disposals	(32,271,050)	(3,600,000)	(217,023)	(222,926)	(133,087)	(2,419,942)	-	-	(38,864,028)	-	-	(38,864,028)
Transfers/adjustments	-	-	-	-	-	9,568,000	-	-	9,568,000	(9,568,000)	(9,568,000)	-
Balance as at December 31, 2014	140,735,600	140,087,330	124,436,732	37,773,853	16,858,620	387,036,559	93,275	62,462,000	909,483,969	88,785,500	88,785,500	998,269,469
DEPRECIATION												
Balance as at January 01, 2013	-	17,476,967	33,688,817	6,882,268	7,310,178	186,822,499	48,072	2,683,493	254,912,294	16,995,198	16,995,198	271,907,492
Charge for the year	-	7,866,409	8,684,958	2,666,097	1,854,283	30,751,602	7,641	7,532,335	59,363,325	5,889,120	5,889,120	65,252,445
Disposals	-	(16,337,044)	(1,507,058)	(5,999)	(52,415)	(6,831,929)	-	-	(24,734,445)	-	-	(24,734,445)
Transfers/adjustments	-	7,469,772	-	-	-	13,360,259	-	-	20,830,031	(13,360,259)	(13,360,259)	7,469,772
Balance as at December 31, 2013	-	16,476,104	40,866,717	9,542,366	9,112,046	224,102,431	55,713	10,215,828	310,371,205	9,524,059	9,524,059	319,895,264
Balance as at January 01, 2014	-	16,476,104	40,866,717	9,542,366	9,112,046	224,102,431	55,713	10,215,828	310,371,205	9,524,059	9,524,059	319,895,264
Charge for the year	-	6,270,315	8,111,994	2,695,094	2,101,479	30,436,589	7,325	13,378,746	63,001,542	11,543,741	11,543,741	74,545,283
Disposals	-	(89,753)	(122,583)	(81,445)	(83,276)	(1,866,289)	-	-	(2,243,346)	-	-	(2,243,346)
Transfers/adjustments	-	-	-	-	-	4,981,704	-	-	4,981,704	(4,981,704)	(4,981,704)	-
Balance as at December 31, 2014	-	22,656,666	48,856,128	12,156,015	11,130,249	257,654,435	63,038	23,594,574	376,111,105	16,086,096	16,086,096	392,197,201
Written down values as at December 31, 2013	140,735,600	123,611,226	79,724,215	25,418,185	4,299,380	146,914,566	30,582	27,995,172	548,728,906	25,514,941	25,514,941	574,243,847
Written down values as at December 31, 2014	140,735,600	117,430,664	75,580,604	25,617,838	5,728,371	129,382,124	30,237	38,867,426	533,372,864	72,699,404	72,699,404	606,072,268
Rate of depreciation (%)	0	5	10	10	33.33	20	20	33.33	20	20	20	20

Notes to the Financial Statements

For the year ended December 31, 2014

33.1.2 Window takaful operations
The following is a statement of operating fixed assets

Particulars	Owned assets				Total
	Furniture and fixtures	Office equipment	Computer equipment	Motor tracking devices - PTF	
	-----Rupees-----				
COST					
Balance as at January 01, 2014	-	-	-	-	-
Additions during the year	1,624,638	245,000	1,255,000	189,900	3,314,538
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
Balance as at December 31, 2014	1,624,638	245,000	1,255,000	189,900	3,314,538
DEPRECIATION					
Balance as at January 01, 2014	-	-	-	-	-
Charge for the year	29,964	2,148	61,133	1,694	94,939
Disposals	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-
Balance as at December 31, 2014	29,964	2,148	61,133	1,694	94,939
Written down values as at December 31, 2014	1,594,674	242,852	1,193,867	188,206	3,219,599
Rate of depreciation (%)	10	10	33.33	33.33	

Notes to the Financial Statements

For the year ended December 31, 2014

33.1.3 The revaluation of fixed assets was carried out by an independent valuer on September 30, 2012 resulting in surplus of Rs. 56,632,554/- which was credited to surplus on revaluation of fixed assets in order to comply with the requirements of section 235 of the Companies Ordinance, 1984.

33.1.4 Had there been no revaluation, the cost, accumulated depreciation and book value of revalued assets as at December 31, 2014 would have been as follows:

Description	January 1st		Cost		December 31st		Rate %	January 1st		Depreciation		December 31st	Written down value
	January 1st	Additions	Deletions	December 31st	January 1st	For the year		Adjustment	January 1st	For the year			
-----Rupees-----													
Land	117,098,310	-	-	117,098,310	-	-	-	-	-	-	-	-	117,098,310
Building	110,868,363	35,871,050	(35,871,050)	110,868,363	5%	13,759,862	(888,525)	18,301,670	5,430,333	(888,525)	18,301,670	92,566,693	
2014	227,966,673	35,871,050	(35,871,050)	227,966,673		13,759,862	(888,525)	18,301,670	5,430,333	(888,525)	18,301,670	209,665,003	
Land	79,028,210	38,070,100	-	117,098,310	-	-	-	-	-	-	-	-	117,098,310
Building	115,619,195	41,928,525	(46,679,357)	110,868,363	5%	16,073,958	(8,465,782)	13,759,862	6,151,686	(8,465,782)	13,759,862	97,108,501	
2013	194,647,405	79,998,625	(46,679,357)	227,966,673		16,073,958	(8,465,782)	13,759,862	6,151,686	(8,465,782)	13,759,862	214,206,811	
33.1.5 Disposal of fixed assets													
Particulars	January 1st		Cost		December 31st		Sales proceeds	January 1st		Depreciation		December 31st	Written down value
	January 1st	Additions	Deletions	December 31st	January 1st	For the year		Adjustment	January 1st	For the year			
-----Rupees-----													
Building	70-E Model Town Lahore	35,871,050	(89,753)	35,781,297	40,000,000	4,218,703	Negotiation	M. A. Shahid, Lahore					
Vehicles	LWR-1062	499,000	(396,752)	102,248	405,000	302,752	Negotiation	Mr. Liaquat Ali, Lahore					
	LZE-7213	774,000	(694,047)	79,953	410,000	330,047	Negotiation	Mr. Asad Malik, Lahore					
	LED-09-5014	790,000	(453,771)	336,229	410,000	73,771	Negotiation	Mr. Muhammad Abid, Multan					
Sub-Total		37,934,050	(1,634,323)	36,299,727	41,225,000	4,925,273							
The following assets with book value below Rs. 50,000/- were disposed off during the year:													
Vehicles		356,942	(321,719)	35,223	50,000	14,777	Negotiation	Various					
Computer Equipment		133,087	(83,276)	49,811	12,000	(37,811)	Negotiation	Various					
Furniture & Fixture		217,023	(122,583)	94,440	74,900	(19,540)	Negotiation	Various					
Office Equipment		222,926	(81,446)	141,480	57,030	(84,450)	Negotiation	Various					
Sub-Total		929,978	(609,024)	320,954	193,930	(127,024)							
Total		38,864,028	(2,243,346)	36,620,682	41,418,930	4,798,249							

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 Rupees	2013 Rupees
33.1.6 Capital Work in Progress			
Computer Software		5,086,600	2,886,600
Building		14,048,358	-
		19,134,958	2,886,600
34 ADMINISTRATIVE SURCHARGE			
Contribution/Premium written and net premium / contribution revenue include administrative surcharge, class wise detail of which is given below:			
Conventional business			
Fire and property damage		11,978,761	5,839,327
Marine, aviation and transport		6,524,627	4,576,264
Motor		19,192,274	13,207,991
Miscellaneous		8,253,424	7,173,245
		45,949,086	30,796,827
Window takaful operations			
Fire and property damage		13,813	-
Marine, aviation and transport		6,668	-
Motor		11,075	-
Miscellaneous		32,000	-
		63,556	-
35 MANAGEMENT EXPENSES			
Salaries, allowances and benefits		166,857,578	134,508,215
Branches rent		28,024,456	25,063,958
Depreciation	37.3.1	39,592,827	34,783,622
Vehicle running and maintenance charges		5,431,113	5,971,372
Petrol expense		46,429,482	16,566,356
Advertisement, selling and other expenses		15,180,483	11,930,647
Motor tracking device charges		55,697,079	38,832,168
Tracker monitoring charges		17,443,299	15,555,231
Fire service charges		436,757	231,432
Marine service charges		172,169	273,319
Accident service charges		119,602	63,734
Miscellaneous service charges		325,365	45,203
Miscellaneous expenses		1,889,678	3,045,726
		377,599,888	286,870,983
36 OTHER INCOME			
Income from financial assets			
Bad debts recovered		19,533,702	10,539,887
Profit on PLS accounts		7,039,565	4,029,477
Others income		46,050	-
		26,619,317	14,569,364
Income from non financial assets			
Gain on sale of fixed assets	33.1.5	4,798,249	5,703,362
Discount income		34,039	-
		4,832,288	5,703,362
		31,451,605	20,272,727

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 Rupees	2013 Rupees
37 GENERAL AND ADMINISTRATION EXPENSES			
Salaries, allowances and benefits		65,724,575	60,393,619
Consultancy and advisory fee		19,686,000	15,780,000
Travelling, conveyance and vehicle charges		13,081,600	10,780,651
Printing and stationery		6,854,449	5,391,314
Repair and renewal		6,012,303	11,299,033
Electricity charges		8,482,150	6,920,772
Telephone charges		11,222,900	8,699,139
Office rent		2,734,334	619,875
Charity and donation	37.1	902,000	3,080,900
Bank Charges		3,227,450	2,340,477
Levy charges		1,520,000	1,590,898
Interest charges		-	316,403
General expenses		2,290,258	984,361
Legal & professional fee		14,331,055	8,151,134
Auditors' remuneration	37.2	1,830,000	1,642,500
Depreciation	37.3.1	35,110,621	30,845,853
Zakat		172,949	36,008
Provision for gratuity	12.3	18,116,463	14,413,767
Provision for doubtful debts	26.1	10,662,255	7,788,326
Exchange loss		5,966,527	2,778,947
Workers' welfare fund		9,955,154	5,811,085
		237,883,043	199,665,062
37.1 Directors have no interest in the donee institutes.			
37.2 Auditor's remuneration include:			
Annual audit fee		1,000,000	900,000
Half yearly review		330,000	302,500
Other certifications		350,000	340,000
Out of pocket expenses		150,000	100,000
		1,830,000	1,642,500

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 Rupees	2013 Rupees
37.3 Depreciation			
Investment property	25	158,165	377,030
Fixed assets	33.1.1	74,545,283	65,252,445
		74,703,448	65,629,475
37.3.1 Depreciation charged to:			
Management expenses	35	39,592,827	34,783,622
General and administration expenses	37	35,110,621	30,845,853
		74,703,448	65,629,475
38 REVENUE ACCOUNT - WINDOW TAKAFUL OPERATIONS			
Wakala fee		49,681,129	-
Commission Expense - Takaful		(647,799)	-
Management expenses - Takaful	38.1	(16,033,407)	-
Other income - Takaful		246,720	-
General & administration expenses - Takaful	38.2	(4,790,863)	-
Profit for the period from window takaful operations		28,455,780	-
38.1 MANAGEMENT EXPENSES - TAKAFUL			
Salaries		9,096,699	-
Petrol and mobile expenses		2,949,691	-
Rent rates and taxes		294,000	-
Utilities expense		151,333	-
Office repair and maintenance		180,578	-
Printing and stationery		64,508	-
Office expenses		229,947	-
Advertising expenses		3,066,651	-
		16,033,407	-
38.2 GENERAL & ADMINISTRATION EXPENSES - TAKAFUL			
Salaries and wages		1,799,465	-
Shariah advisor fee		529,730	-
Printing and stationery		398,642	-
Traveling expenses		197,423	-
Utilities		20,056	-
Mobile and petrol expenses		121,500	-
Bank charges		7,816	-
Auditors remuneration		200,000	-
Other expenses		656,770	-
Depreciation expense	38.3	93,245	-
Gratuity expense	12.3	766,216	-
		4,790,863	-

Notes to the Financial Statements

For the year ended December 31, 2014

	Note	2014 Rupees	2013 Rupees
38.3 Depreciation charged to:			
Direct expenses	41	1,694	
General & administrative expenses	38.2	93,245	
		94,939	-
39 PROVISION FOR TAXATION			
For the year			
Current		60,344,001	41,390,155
Prior		(11,499,734)	4,974,584
Deferred		(1,795,404)	(13,190,155)
		47,048,863	33,174,584
39.1 Reconciliation between effective and applicable tax rate			
Applicable tax rate		%	%
- Effect of income charged at different rates		33.00	34.00
- Effect of tax on amounts deductible for tax purposes		(4.21)	(4.20)
- Effect of opening deferred tax		(18.61)	(15.58)
Effective tax rate		(0.56)	(1.01)
		9.62	11.41
40 EARNINGS PER SHARE - BASIC AND DILUTED			
40.1 Basic earnings per share			
Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of shares as at the year end as follows:			
Profit after tax for the year		460,887,144	257,379,644
		Number of shares	
Weighted average number of shares of Rs 10/- each		92,000,000	92,000,000
	Rupees.....	
Earnings per share of Rs 10/- each - basic and diluted (Restated)		5.01	2.80
40.2 No figure for diluted earnings per share has been presented as the company has not issued any instrument which would have an impact on Earnings Per Share when exercised.			
41 DIRECT EXPENSES - PTF			
Annual monitoring fee		265,060	-
Service Charges		4,438	-
Travelling Expenses		142,450	-
Depreciation Expenses	38.3	1,694	-
Health Cards		61,400	-
		475,042	-

Notes to the Financial Statements

For the year ended December 31, 2014

42 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

42.1 Conventional business

	2014				2013			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	-----Rupees-----							
Managerial remuneration	2,593,548	6,445,548	44,511,271	53,550,367	2,050,000	4,854,750	45,114,715	52,019,465
Housing	1,167,096	627,132	20,027,665	21,821,893	804,780	528,675	18,189,363	19,522,818
Medical allowance	259,356	139,320	4,449,928	4,848,604	205,020	178,575	4,442,894	4,826,489
	4,020,000	7,212,000	68,988,864	80,220,864	3,059,800	5,562,000	67,746,972	76,368,772
Number of persons	1	2	59	62	1	2	64	67

42.2 Window Takaful operations

	2014		2013	
	Executives	Total	Executives	Total
Managerial remuneration	3,220,642	3,220,642	-	-
Housing	1,449,290	1,449,290	-	-
Medical allowance	322,068	322,068	-	-
	4,992,000	4,992,000		
Number of persons	5	5	-	-

The Chief Executive, Chairman and certain executives are also provided with free use of the Company's maintained car.

Notes to the Financial Statements

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43 RELATED PARTY TRANSACTIONS

Related parties comprise of directors, major shareholders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions and compensation to key management personnel is on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

43.1 Conventional business

Relation with undertaking	Nature and transaction	Note	2014	2013
			Rupees	Rupees
United Track System (Pvt) Ltd. (Associated Company)	Motor tracking devices		24,251,000	5,506,000
	Device charges		55,697,079	18,032,010
	Device monitoring charges		17,443,299	8,159,331
	Rental Income		600,000	205,000
Apna Microfinance Bank Ltd. (Associated Company)	Investment through Equity Shares		193,849,869	38,790,544
	Investment through Fixed Deposits		70,000,000	-
Key management personnel	Remuneration of key management personnel		80,220,864	76,368,772
	Loan to key management personnel		5,174,927	7,041,500
Staff retirement benefits plan	(Payable) / receivable from defined benefit plan		(61,339,710)	(49,764,879)
	Provision for gratuity during the year		18,116,463	14,413,767
	Gratuity payments		2,759,072	4,214,134

43.2 Window takaful operations

	Nature and transaction	Note	2014	2013
			Rupees	Rupees
United Track System (Pvt) Ltd. (Associated Company)	Motor tracking devices		188,206	-
	Device monitoring charges		265,060	-
Key management personnel	Remuneration of key management personnel		4,992,000	-
Staff retirement benefits plan	(Payable) / receivable from defined benefit plan		(766,216)	-
	Provision for gratuity during the year		766,216	-

Notes to the Financial Statements

For the year ended December 31, 2014

44 SEGMENT REPORTING

The company has four primary business segments for reporting purposes namely Fire, Marine, Motor, and Miscellaneous.

Assets and liabilities, wherever possible have been assigned to the following segments based on specific identification or allocated on the basis of premium / contribution written by each segment.

	FIRE		MARINE		MOTOR		MISCELLANEOUS		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Conventional										
Segment assets	911,578,923	199,792,166	320,260,864	99,686,517	279,357,149	305,000,136	1,250,260,202	787,212,167	2,761,457,138	1,391,690,986
Unallocated assets									1,964,496,832	1,616,511,702
Consolidated Total Assets	956,369,670	231,017,434	313,964,630	115,266,398	365,161,162	352,668,225	1,224,470,823	910,244,570	4,725,953,970	3,008,202,688
Segment liabilities									2,859,966,285	1,609,196,627
Unallocated liabilities									148,053,317	177,554,713
Consolidated Total Liabilities	28,361,945	16,418,171	11,898,944	8,191,684	30,739,227	25,063,767	71,994,269	64,690,144	3,008,019,602	1,786,751,340
Capital expenditure									142,994,385	114,363,766
Depreciation	14,816,911	9,421,815	6,216,273	4,701,025	16,058,856	14,383,221	37,611,408	37,123,414	74,703,448	65,629,475
----- Rupees -----										
Window takatful operations										
Segment assets	9,322,447	-	8,369,157	-	8,373,540	-	94,843,522	-	120,908,665	-
Unallocated assets									70,257,321	-
Consolidated Total Assets	7,499,584	-	6,041,050	-	6,471,527	-	72,665,908	-	191,165,986	-
Segment liabilities									92,678,069	-
Unallocated liabilities									18,591,027	-
Consolidated Total Liabilities	258,706	-	213,623	-	266,635	-	2,575,574	-	111,269,096	-
Capital expenditure									3,314,538	-
Depreciation	7,410	-	6,119	-	7,637	-	73,773	-	94,939	-
----- Rupees -----										

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	Note	2014 Rupees	2013 Rupees
45 FINANCIAL INSTRUMENTS BY CATEGORY			
Conventional business			
Financial assets			
Cash and bank deposits			
Cash and other equivalents		241,739	190,254
Current and other accounts		334,135,946	146,170,437
Deposits maturing within 12 months		247,634,507	83,272,538
Deposits maturing after 12 months		11,758,400	20,022,275
		593,770,592	249,655,504
Investments		642,625,501	412,493,249
Loan to employees and agents		10,406,526	9,963,600
Current assets - others			
Premiums/contributions due but unpaid		449,545,585	458,363,262
Amounts due from other insurers/ reinsurers & takaful/retakaful		684,203,233	145,101,589
Reinsurance / re-takaful recoveries against outstanding claims		932,418,605	543,315,576
Accrued investment income		30,595,180	26,163,354
Advance for purchase of shares		-	215,302,941
Sundry receivables		58,886,671	122,639,305
		2,155,649,273	1,510,886,027
		3,402,451,892	2,182,998,380
Financial liabilities			
Provision for outstanding claims (including IBNR)		1,067,276,746	618,212,048
Amounts due to other insurers/ reinsurers & takaful / re-takaful		370,295,656	92,704,969
Other creditors and accruals		64,344,061	22,462,870
Liabilities against assets subject to finance lease		65,637,310	22,703,330
		1,567,553,773	756,083,217
Window takaful operations			
Financial assets			
Cash and bank deposits			
Cash and other equivalents		12,448	-
Current and other accounts		61,036,396	-
Deposits maturing within 12 months		20,000	-
Deposits maturing after 12 months		444,000	-
		61,512,844	-
Current assets - others			
Contribution due but unpaid -(PTF)		69,096,514	-
Amount due from other takaful/retakaful - (PTF)		21,931,855	-
Retakaful recoveries against outstanding claims -(PTF)		1,457,255	-
Sundry receivables		1,197,856	-
		93,683,480	-
		155,196,324	-
Financial liabilities			
Provision for outstanding claims (including IBNR)		2,445,153	-
Amount due to other takaful/retakaful - (PTF)		17,028,273	-
Other creditors and accruals		12,573,468	-
		32,046,894	-

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46 RISK MANAGEMENT

46.1 Risk management framework

The Company's activities expose it to a variety of financial risks, credit risks, liquidity risk and market risk (including interest / mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below. The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing the Company's risk management policies.

46.2 Insurance risks

46.2.1 Insurance risk

The Company accepts the insurance risk through its insurance contracts where it assumes the risk of loss from persons or organizations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Exposures are managed by having documented underwriting limit and criteria. Reinsurance is purchased to mitigate the risk of potential loss to the Company. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

A concentration of risk may also arise from a single insurance contract issued to particular demographic type of policyholder, within a geographical location or to types of commercial business. The Company minimizes its exposure to significant losses by obtaining reinsurance from a number of reinsurers who are dispersed over several geographical regions.

Further the company adopts strict claim review policies including active management and prompt pursuing of the claims, regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

Geographical concentration of insurance risk

To optimize benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks with reference to the geographical location, the most important of which is risk survey.

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the commercial / industrial residential occupation of the insurers. Details regarding the fire separation/segregation with respect to the manufacturing processes, storage, utilities, etc are extracted from the layout plan of the insured facility. Such details are formed part of the reports which are made available to the underwriters/reinsurance personnel for their evaluation. Reference is made to the standard construction specifications as laid down by IAP (Insurance Association of Pakistan). For instance, the presence of Perfect Party Walls, Double Fire Proof Iron Doors, physical separation between the buildings within an insured's premises. It is basically the property contained within an area which is separated by another property by sufficient distance to confine insured damage from uncontrolled fire and explosion under the most adverse conditions to that one area.

Address look-up and geocoding is the essential field of the policy data interphase of IT systems. It provides instant location which is dependent on data collection provided under the policy schedule. All critical underwriting information is punched into the IT system/application through which a number of MIS reports can be generated to assess the concentration of risk.

Notes to the Financial Statements

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46.2.2 Reinsurance arrangements

Reinsurance arrangements are key components in the global economy as a means of supporting acceptance of risk by insurance organizations. Arrangements are the most effective ways of getting risks of all types, underwritten of the company. The company has prestigious reinsurance arrangements with the world wide acclaimed reinsurers

In compliance of the regulatory requirement, the reinsurance agreements are duly submitted with Securities and Exchange Commission of Pakistan on an annual basis.

The Company's class wise risk exposure (based on maximum loss coverage in a single policy) for conventional and takaful business is as follows:

Conventional Business

	Maximum sum insured		Re-insurance cover		Highest net liability	
	2014	2013	2014	2013	2014	2013
----- Rupees -----						
Fire and property damage	14,104,000,000	2,670,000,000	14,069,000,000	2,635,000,000	35,000,000	35,000,000
Marine, aviation and transport	27,874,000,000	440,170,000	27,854,000,000	420,170,000	20,000,000	20,000,000
Motor	9,000,000	9,000,000	7,500,000	7,500,000	1,500,000	1,500,000
Miscellaneous	41,615,800,000	1,907,890,000	41,500,950,000	1,872,890,000	114,850,000	35,000,000
	83,602,800,000	5,027,060,000	83,431,450,000	4,935,560,000	171,350,000	91,500,000

Window Takaful operations

	Maximum sum insured		Reinsurance cover		Highest net liability	
	2014	2013	2014	2013	2014	2013
----- Rupees -----						
Fire and property damage	160,000,000	-	145,000,000	-	15,000,000	-
Marine, aviation and transport	400,000,000	-	387,500,000	-	12,500,000	-
Motor	5,029,000	-	3,779,000	-	1,250,000	-
Miscellaneous	3,700,000	-	1,850,000	-	1,850,000	-
	568,729,000	-	538,129,000	-	30,600,000	-

The table below sets out the concentration of insurance contract liabilities by type of contract:

Conventional Business

	Gross liabilities		Gross assets		Net liabilities / (assets)	
	2014	2013	2014	2013	2014	2013
----- Rupees -----						
Fire and property damage	956,369,670	231,017,434	911,578,923	199,792,166	44,790,746	31,225,268
Marine, aviation and transport	313,964,630	115,266,398	320,260,864	99,686,517	(6,296,234)	15,579,881
Motor	365,161,162	352,668,225	279,357,149	305,000,136	85,804,013	47,668,089
Miscellaneous	1,224,470,823	910,244,570	1,250,260,202	787,212,167	(25,789,379)	123,032,403
	2,859,966,285	1,609,196,627	2,761,457,138	1,391,690,986	98,509,146	217,505,641

The table below sets out the concentration of takaful contract liabilities by type of contract:

Window takaful operations

	Gross liabilities		Gross assets		Net liabilities / (assets)	
	2014	2013	2014	2013	2014	2013
----- Rupees -----						
Fire and property damage	7,499,584	-	9,322,447	-	(1,822,863)	-
Marine, aviation and transport	6,041,050	-	8,369,157	-	(2,328,107)	-
Motor	6,471,527	-	8,373,540	-	(1,902,013)	-
Miscellaneous	72,665,908	-	94,843,522	-	(22,177,614)	-
	92,678,069	-	120,908,666	-	(28,230,597)	-

Notes to the Financial Statements

For the year ended December 31, 2014

46.2.3 Uncertainty in the estimation of future claims payment

Claims on general insurance and takaful contracts are payable on a claim occurrence basis. The Company is liable for all insured events that occur during the term of the insurance contract.

An estimated amount of the claim is recorded immediately on intimation to the Company. The estimation of the amount is based on the amount notified by the policy holder, management or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. For the estimation of provision of claims incurred but not reported (IBNR), the Company uses historical experience factor based on analysis of the past years claims reporting pattern.

There are several variable factors which affect the amount and timing of recognized claim liabilities. However, the management considers that uncertainty about the amount and timing of claim payments is generally resolved within a year. The Company takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from recognised amounts.

46.2.4 Key assumptions

The principal assumption underlying the liability estimation of IBNR and premium deficiency reserve is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc.

46.2.5 Sensitivity analysis

The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company makes various assumptions and techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for insurance claims recognized in the balance sheet is adequate. However, actual experience will differ from the expected outcome.

As the Company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit before tax net of reinsurance and retakaful.

Conventional business 10% increase in loss	Profit before tax		Share holders' equity	
	2014	2013	2014	2013
	----- Rupees -----			
Net				
Fire and property damage	(8,644,374)	(7,877,888)	(5,791,731)	(5,199,406)
Marine, aviation and transport	(2,886,823)	(6,049,235)	(1,934,171)	(3,992,495)
Motor	(7,924,699)	(10,445,233)	(5,309,548)	(6,893,854)
Miscellaneous	(22,487,342)	(7,935,908)	(15,066,519)	(5,237,699)
	(41,943,238)	(32,308,264)	(28,101,969)	(21,323,454)

10% decrease in loss	Profit before tax		Share holders' equity	
	2014	2013	2014	2013
	----- Rupees -----			
Net				
Fire and property damage	8,644,374	7,877,888	5,791,731	5,199,406
Marine, aviation and transport	2,886,823	6,049,235	1,934,171	3,992,495
Motor	7,924,699	10,445,233	5,309,548	6,893,854
Miscellaneous	22,487,342	7,935,908	15,066,519	5,237,699
	41,943,238	32,308,264	28,101,969	21,323,454

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Window takaful operations 10% increase in loss	Profit before tax		Share holders' equity	
	2014	2013	2014	2013
----- Rupees -----				
Net				
Fire and property damage	-	-	-	-
Marine, aviation and transport	(22,659)	-	(22,659)	-
Motor	(8,061)	-	(8,061)	-
Miscellaneous	(208,886)	-	(208,886)	-
	(239,606)	-	(239,606)	-

10% decrease in loss	Profit before tax		Share holders' equity	
	2014	2013	2014	2013
----- Rupees -----				
Net				
Fire and property damage	-	-	-	-
Marine, aviation and transport	22,659	-	22,659	-
Motor	8,061	-	8,061	-
Miscellaneous	208,886	-	208,886	-
	239,606	-	239,606	-

Claims development tables

The following table shows the development of fire claims over a period of time. The disclosure goes back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments. For other classes of business the uncertainty about the amount and timings of claims payment is usually resolved within a year.

	2010	2011	2013	2014	Total
----- Rupees -----					
Estimate of ultimate claims cost					
At the end of accident year	55,076,743	154,397,043	85,411,186	475,410,157	770,295,129
One year later	68,205,744	289,547,017	35,542,396	-	393,295,157
Two year later	33,233,785	220,913,507	-	-	254,147,292
Three year later	2,843,991	-	-	-	2,843,991
Estimate of cumulative claims	159,360,263	664,857,567	120,953,582	475,410,157	1,420,581,569
Cumulative payments to date	(157,453,255)	(481,606,478)	(114,400,794)	(110,486,332)	(863,946,859)
Liability recognized in the balance sheet date	1,907,008	183,251,089	6,552,788	364,923,825	556,634,710

46.3 Financial risk

46.3.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market variables such as interest rates, foreign exchange rates and market prices.

a) Interest / mark up rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark-up rate risk arises from mismatches of financial assets and liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in respective notes.

At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

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FINANCIAL ASSETS AND LIABILITIES	Effective Yield/ Mark-up rate per annum %	2014				Non interest/ mark- up bearing financial instruments	Total
		Interest/mark-up bearing			Sub Total		
		Maturity upto one year	Maturity over one year to five years	Maturity over five years			
Rupees							
Conventional Business							
FINANCIAL ASSETS							
Cash and bank deposits	7.25 - 16.70	384,818,845	-	-	384,818,845	593,528,853	
Loan to employees and agents		-	-	-	-	10,406,526	
Investments	10.78 - 14.86	-	28,641,759	366,327,073	394,968,832	449,058,091	
Premiums due but unpaid		-	-	-	-	449,545,585	
Amounts due from other insurers/ reinsurers		-	-	-	-	684,203,233	
Reinsurance recoveries against outstanding claims		-	-	-	-	932,418,605	
Accrued investment income		30,595,180	-	-	30,595,180	30,595,180	
Sundry receivables		-	-	-	-	58,886,671	
		415,414,025	28,641,759	366,327,073	810,382,857	3,208,642,744	
FINANCIAL LIABILITIES							
Provision for outstanding claims (including IBNR)		-	-	-	-	1,067,276,746	
Amount due to other insurers/reinsurer		-	-	-	-	370,295,656	
Other creditors and accruals		-	-	-	-	64,344,061	
Liabilities against asset subject to finance lease		-	-	-	-	-	
Liabilities against asset subject to finance lease	14.54 - 20	24,724,644	40,912,666	-	65,637,310	65,637,310	
		24,724,644	40,912,666	-	65,637,310	1,567,553,773	
Window takaful Operations							
FINANCIAL ASSETS							
Cash and bank deposits	7.25 - 16.70	60,827,096	-	-	60,827,096	61,500,396	
Contribution due but unpaid -(PTF)		-	-	-	-	69,096,514	
Amount due from other takaful/retakaful - (PTF)		-	-	-	-	21,931,855	
Retakaful recoveries against outstanding claims -(PTF)		-	-	-	-	1,457,255	
Sundry receivables		-	-	-	-	1,197,856	
		60,827,096	-	-	60,827,096	155,183,876	
FINANCIAL LIABILITIES							
Provision for outstanding claims (including IBNR)		-	-	-	-	2,445,153	
Amount due to other takaful/retakaful - (PTF)		-	-	-	-	17,028,273	
Other creditors and accruals		-	-	-	-	12,573,468	
		-	-	-	-	32,046,894	

2013

FINANCIAL ASSETS AND LIABILITIES	Effective Yield/ Mark-up rate per annum	Interest/mark-up bearing			Non interest/ mark- up bearing financial instruments	Total
		Maturity upto one year	Maturity over one year to five years	Maturity over five years		
FINANCIAL ASSETS						
Cash and bank balances	6 - 16.7	132,300,454	15,000,000	-	147,300,454	249,655,504
Loan to employees and agents		-	-	-	-	9,963,600
Investments	10.78 - 14.86	2,190,482	75,802,322	246,135,266	324,128,070	373,702,705
Premium due but unpaid		-	-	-	-	458,363,262
Amount due from other insurers/reinsurers		-	-	-	-	145,101,589
Reinsurance recoveries against outstanding claims		-	-	-	-	543,315,576
Accrued investment income		19,247,641	6,915,713	-	26,163,354	26,163,354
Advance for purchase of shares		-	-	-	-	215,302,941
Sundry receivables		-	-	-	-	122,639,305
		153,738,577	97,718,035	246,135,266	497,591,878	2,144,207,836
FINANCIAL LIABILITIES						
Provision for outstanding claims (including IBNR)		-	-	-	-	618,212,048
Amount due to other insurers/reinsurer		-	-	-	-	92,704,969
Other creditors and accruals		-	-	-	-	22,462,870
Short term bank borrowings		-	-	-	-	-
Liabilities against asset subject to finance lease	14.54 - 20	10,400,741	12,302,589	-	22,703,330	22,703,330
		10,400,741	12,302,589	-	22,703,330	733,379,887
						756,083,217

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Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not effect fair value of any financial instrument. For cash flow sensitivity analysis of variable rate instruments a hypothetical change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

Conventional business	Increase / (decrease) in basis points	Effect on profit before tax	Effect on equity
As at December 31, 2014			
Cash flow sensitivity - variable rate financial liabilities	100	(656,373)	(439,770)
	(100)	656,373	439,770
Cash flow sensitivity - variable rate financial assets	100	8,103,829	5,429,565
	(100)	(8,103,829)	(5,429,565)
As at December 31, 2013			
Cash flow sensitivity - variable rate financial liabilities	100	(227,033)	(149,842)
	(100)	227,033	149,842
Cash flow sensitivity - variable rate financial assets	100	4,975,919	3,284,106
	(100)	(4,975,919)	(3,284,106)
Window takaful operations			
As at December 31, 2014			
Cash flow sensitivity - variable rate financial liabilities	100	-	-
	(100)	-	-
Cash flow sensitivity - variable rate financial assets	100	608,271	407,542
	(100)	(608,271)	(407,542)

b) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or liability will fluctuate due to changes in foreign currency rates. Foreign exchange risk arises mainly where receivables and payables exists due to transactions in foreign currencies. As of the balance sheet date, the company does not have material assets or liabilities which are exposed to foreign currency risk except for amount due from and due to reinsurers.

c) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 45.45 million (2013: Rs. 90.49 million) at the balance sheet date.

Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies. The company has strategic equity investment in its associate amounting to Rs. 193.85 million which is held for long term.

Available for sale equity instruments are stated at lower of cost or market value (market value being taken as lower if fall is other than temporary) in accordance with the requirements of the S.R.O. 938 issued by the Securities and Exchange Commission of Pakistan (SECP), in December 2002.

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Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security may be affected by relative quantity of the security being sold. The Company has no significant concentration of price risk.

Sensitivity analysis

The table below summarizes Company's equity price risk as of 31 December 2014 and 2013 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios, indeed results could be worse in Company's equity investment portfolio because of the nature of equity markets.

Had all equity investments been measured at fair values as required by IAS 39 "Financial Instruments Recognition and Measurement", the impact of hypothetical change would be as follows:

	Fair Value	Hypothetical price change	Estimated fair value after hypothetical change in price	Hypothetical increase / (decrease) in shareholder's equity
December 31, 2014	45,458,087	10 % increase	50,003,896	4,545,809
		10 % decrease	40,912,278	(4,545,809)
December 31, 2013	90,493,840	10 % increase	99,543,224	9,049,384
		10 % decrease	81,444,456	(9,049,384)

46.3.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. To guard against the risk, the company maintains balance of cash and other equivalents and readily marketable securities. The maturity profile of assets and liabilities are also monitored to ensure adequate liquidity is maintained. All financial liabilities of the company are short term in nature.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

On the balance sheet date the company has cash and bank balance of Rs. 395.43 million (2013: Rs.146.36 million).

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date on an undiscounted cash flow basis.

Conventional business	2014			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	-----Rupees-----			
Financial liabilities				
Provision for outstanding claims (including IBNR)	1,067,276,746	1,067,276,746	1,067,276,746	-
Amounts due to other insurers/ reinsurers	370,295,656	370,295,656	370,295,656	-
Other creditors and accruals	64,344,061	64,344,061	64,344,061	-
Liabilities against assets subject to finance lease	65,637,310	77,374,311	32,501,568	44,872,743
	1,567,553,773	1,579,290,774	1,534,418,031	44,872,743

Notes to the Financial Statements

For the year ended December 31, 2014

Window takaful operations	2014			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
-----Rupees-----				
Financial liabilities				
Provision for outstanding claims (including IBNR)	2,445,153	2,445,153	2,445,153	-
Amount due to other takaful/retakaful - (PTF)	17,028,273	17,028,273	17,028,273	-
Other creditors and accruals	12,573,468	12,573,468	12,573,468	-
	32,046,894	32,046,894	32,046,894	-
-----Rupees-----				
	Carrying amount	Contractual cash flows	Up to one year	More than one year
Financial liabilities				
Provision for outstanding claims (including IBNR)	618,212,048	618,212,048	618,212,048	-
Amounts due to other insurers/ reinsurers	92,704,969	92,704,969	92,704,969	-
Other creditors and accruals	22,462,870	22,462,870	22,462,870	-
Liabilities against assets subject to finance lease	22,703,330	25,968,190	12,623,545	13,344,645
	756,083,217	759,348,077	746,003,432	13,344,645

46.3.3 Credit risk and concentration of credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

Concentration of credit risk occurs when a number of counter parties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The Company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits the Company's exposure to credit risk through monitoring of client's exposure and conservative estimates of provisions for doubtful assets, if any. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

The carrying amount of financial assets represents the maximum credit exposure, as specified below:

Conventional business	2014	2013
	Rupees	Rupees
Bank deposits	593,528,853	249,465,250
Premium due but unpaid	449,545,585	458,363,262
Amounts due from other insurers / reinsurers	684,203,233	145,101,589
Accrued investment income	30,595,180	26,163,354
Reinsurance recoveries against outstanding claims	932,418,605	543,315,576
Sundry receivables	58,886,671	122,639,305
	2,749,178,127	1,545,048,336
Window takaful operations		
Bank deposits	61,500,396	-
Contribution due but unpaid -(PTF)	69,096,514	-
Amount due from other takaful/retakaful - (PTF)	21,931,855	-
Retakaful recoveries against outstanding claims -(PTF)	1,457,255	-
Sundry receivables	1,197,856	-
	155,183,876	-

Notes to the Financial Statements

For the year ended December 31, 2014

The Company did not hold any collateral against the above during the year. General provision is made for receivables according to the Company's policy. The impairment provision is written off when the Company expects that it cannot recover the balance due. During the year receivables of Rs. 10.66 million (2013: Rs. 7.78 million) were further provided for and the provision of Rs. 19.53 million (2013: 10.50) were reversed due to recoveries. The movement in the provision for doubtful debt account is shown in notes 26.1. The remaining past due balances were not impaired as they relate to a number of policy holders and other insurers/reinsurers for whom there is no recent history of default.

The credit quality of Company's bank balances can be assessed with reference to external credit ratings which are as follows:

	Rating Short Term	Rating Long Term	Rating Agency	2014 Rupees	2013 Rupees
Bank Alfalah Limited	A1+	AA	PACRA	11,386,979	8,777,706
Allied Bank Limited	A1+	AA+	PACRA	24,011,854	19,960,168
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,019,466	579,872
Habib Bank Limited	A-1+	AA+	JCR-VIS	82,900,365	34,111,959
Bank Al-Habib Limited	A1+	AA+	PACRA	36,309,892	10,648,633
KASB Bank Limited	C	B	PACRA	4,903,284	2,010,411
Soneri Bank Limited	A1+	AA-	PACRA	20,646,896	6,029,887
Albaraka Bank Pakistan Limited	A1	A	PACRA	279,510	112,651
Askari Bank Limited	A1+	AA	PACRA	3,014,305	2,210,214
Zarai Tarqati Bank	A-1+	AAA	JCR-VIS	34,693,782	4,160,884
Industrial Development Bank of Pakistan *	-	-	-	-	45,317
Bank of Khyber	A1	A	PACRA	1,607,118	1,301,438
Bank of Punjab	A1+	AA-	PACRA	5,986,528	3,497,628
Faysal Bank Limited	A1+	AA	PACRA	4,128,298	3,571,721
First Women Bank	A2	BBB+	PACRA	1,408,114	913,027
Barclays Bank Limited	A-1	A+	S & P Moody's	-	262,946
MCB Bank Limited	A1+	AAA	PACRA	2,773,283	1,277,651
National Bank of Pakistan Limited	A1+	AAA	JCR-VIS	3,885,296	5,015,946
NIB Bank Limited	A1+	AA-	PACRA	11,304,090	6,973,509
Punjab Provincial Co-operative Bank Limited *	-	-	-	4,927,890	881,201
Silk Bank Limited	A-2	A-	JCR-VIS	2,790,016	1,604,622
SME Bank Limited	A3	BBB-	PACRA	19,428	19,428
Standard Chartered Bank Limited	A1+	AA-	PACRA	340,444	900,906
United Bank Limited	A1+	AA+	JCR-VIS	16,916,180	6,768,088
Summit Bank	A1	A	JCR-VIS	57,343,213	18,202,276
Burj Bank Limited	A1	A	JCR-VIS	3,705,985	1,962,129
Dubai Islamic Bank Pakistan Limited	A1	A+	JCR-VIS	1,418,108	510,855
APNA Micro Finance Bank	A3	BBB	PACRA	1,852,125	2,012,877
Sindh Bank	A1+	AA-	JCR-VIS	1,379,880	219,940
Karakoram Co-Operative Bank *	-	-	-	908,388	1,626,547
JS Bank Limited	A1	A+	PACRA	267,009	-
Khushali Bank Limited	A1	A	JCR-VIS	24,750	-
Agriculture Development Bank Limited*				66,923	-
Meezan Bank limited	A1+	AA	JCR-VIS	52,389,827	-
BankIslami	A1	A	PACRA	563,116	-
				395,172,342	146,170,437

*Credit ratings are not available

Notes to the Financial Statements

For the year ended December 31, 2014

The age analysis of premiums due but unpaid and amount due from other insurers/ reinsurers is as follows:

	2014 Rupees	2013 Rupees
Upto 1 year	1,096,219,120	533,786,494
1-2 years	48,584,104	69,586,044
2-3 years	5,730,459	92,313
Over 3 years	606,322	26,262,634
	1,151,140,005	629,727,485

The age analysis of Contribution due but unpaid and amount due from other takaful/ re-takaful is as follows:

	2014 Rupees	2013 Rupees
Upto 1 year	91,028,369	-
1-2 years	-	-
2-3 years	-	-
Over 3 years	-	-
	91,028,369	-

Re-insurance / retakaful risk

Reinsurance/re-takaful ceded does not relieve the Company from its obligation towards policy holders and, as a result, the Company remains liable for the portion of outstanding claims reinsured to the extent that reinsurer / retakaful parties fail to meet the obligation under the reinsurance agreement.

To minimize its exposure to significant losses from reinsurers/re-takaful insolvencies, the Company obtains reinsurers/retakaful parties rating who are dispersed over several geographical regions.

The credit quality of amount due from other insurers and reinsurers, takaful and retakaful can be assessed with reference to external credit ratings as follows:

Conventional business	Amount due from other insurers / re-insurers	Reinsurance recoveries against outstanding claims	Other reinsurance assets	2014	2013
-----Rupees-----					
A or above (including PRCL)	684,203,233	932,418,605	565,466,498	2,182,088,336	860,397,450
Total	684,203,233	932,418,605	565,466,498	2,182,088,336	860,397,450
Window takaful operations	Amount due from other takaful / re-takaful	Reinsurance recoveries against outstanding claims	Other re-takaful assets	2014	2013
-----Rupees-----					
A or above (including PRCL)	21,931,855	1,457,255	23,101,634	46,490,744	-
Total	21,931,855	1,457,255	23,101,634	46,490,744	-

Notes to the Financial Statements

For the year ended December 31, 2014

47 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximates their fair values except for equity and debt instruments held whose fair values have been disclosed in their respective notes to these financial statements.

Financial instruments carried at fair value includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

48 CAPITAL MANAGEMENT

The company's objectives when managing capital or to safeguard company's ability to continue as going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company currently meets the paid up capital requirement as required by Security and Exchange Commission of Pakistan.

	2014	2013
	---Numbers---	
49 NUMBER OF EMPLOYEES		
As at December 31, 2014	842	602
Average number of employees during the year	722	619

50 EVENTS AFTER BALANCE SHEET DATE

The board of directors have proposed bonus shares for the year ended December 31, 2014 of Rs.4.00 per share (2013: 3.1064811 per share), amounting to Rs.368,000,000 (2013: Rs.218,057,204/-) at their meeting held on March 19, 2015 for the approval of the members at the annual general meeting to be held on April 13, 2015.

51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on March 19, 2015 by the Board of Directors of the company.

52 GENERAL

- Corresponding figures have been reclassified / re-arranged, wherever necessary for better presentation. There have been no significant reclassifications/ restatements in the financial statements.
- Separate set of statements representing assets, liabilities, revenues and expenses of window takaful operations has been annexed to these financial statement as per the requirement of Rule 11(b) of Takaful Rules, 2012.


 Mohammed Rahat Sadiq
 Chief Executive Officer


 Huma Waheed
 Director


 Khawas Khan Niazi
 Director/President


 Ch. Habib-ur-Rehman
 Chairman

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FINANCIAL STATEMENTS (WINDOW TAKAFUL)

For the period ended December 31, 2014

Window Takaful Operations

Balance Sheet

As at December 31, 2014

	2014 Rupees
OPERATORS' FUND	
Statutory fund	50,000,000
Accumulated Profit for the period	28,455,780
	78,455,780
WAQF/PARTICIPANTS' TAKAFUL FUND -(PTF)	
Ceded money	500,000
Accumulated Surplus	941,108
	1,441,108
Underwriting provisions - (PTF)	
Provision for outstanding claims (including IBNR)	2,445,153
Reserve for unearned contribution	68,912,430
Reserve for unearned retakaful rebate	4,292,214
Total underwriting provisions	75,649,797
Deferred liabilities	
Staff retirement benefits	766,216
Creditors and accruals	
Amount due to other takaful/retakaful - (PTF)	17,028,273
Accrued expenses	5,251,343
Other creditors and accruals	12,573,468
	34,853,084
TOTAL LIABILITIES	111,269,097
TOTAL FUND AND LIABILITIES	191,165,986
CONTINGENCIES & COMMITMENTS	-



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director

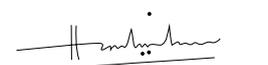
Window Takaful Operations

Balance Sheet

As at December 31, 2014

	2014 Rupees
Cash and bank deposits	
Cash and other equivalent	12,448
Current and other accounts	61,036,396
Deposits maturing within 12 months	20,000
Deposits maturing after 12 months	444,000
	61,512,844
Other Assets	
Contribution due but unpaid -(PTF)	69,096,514
Amount due from other takaful/retakaful - (PTF)	21,931,855
Prepaid retakaful contribution ceded - (PTF)	23,101,634
Retakaful recoveries against outstanding claims - (PTF)	1,457,255
Deferred commission expense	9,648,429
Sundry receivables	1,197,856
	126,433,543
Fixed assets-Tangibles	
Furniture, fixture, office & computer equipment	3,031,393
Motor tracking devices -(PTF)	188,206
	3,219,599
TOTAL ASSETS	191,165,986


 Khawas Khan Niazi
 Director/President


 Ch. Habib-ur-Rehman
 Chairman

Window Takaful Operations

Profit and Loss Account

For the period ended December 31, 2014

	Fire and property damage	Marine aviation and transport	Motor	Health and Miscellaneous	2014 Aggregate
-----R u p e e s-----					
PTF Revenue Account					
Net Contribution revenue	235,454	199,349	312,431	2,639,879	3,387,113
Net claims	-	(226,586)	(80,610)	(2,088,855)	(2,396,051)
Direct expenses	(37,078)	(30,617)	(38,214)	(369,133)	(475,042)
Net rebate on re-takaful	26,780	5,071	-	337,126	368,978
Surplus / (Deficit) before investment income	225,156	(52,783)	193,607	519,018	885,998
Other Income					56,111
Surplus for the period					941,108
Accumulated Surplus					
Balance at the beginning of the period					-
Surplus for the period					941,108
Balance at the end of the period					941,108
Operator's Revenue Account					
Wakala fee					49,681,129
Commission Expense					(647,799)
Management expenses					(16,033,407)
					32,999,923
Other income					246,720
General & administration expenses					(4,790,863)
Profit for the Period					28,455,780
Profit & loss appropriation account					
Balance at the beginning of the period					-
Profit for the Period					28,455,780
Accumulated profit for the period					28,455,780



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Window Takaful Operations

Statement of Comprehensive Income

For the period ended December 31, 2014

	2014 Rupees
OPERATORS' FUND	
Profit for the period	28,455,780
Other comprehensive income	-
Total comprehensive income for the period	28,455,780



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Window Takaful Operations

Statement of Changes In Funds

For the period ended December 31, 2014

	Operators' fund		
	Statutory Fund	Accumulated Profits	Total
	-----Rupees-----		
Balance as at the beginning of the period	-	-	-
Statutory fund	50,000,000	-	50,000,000
Profit for the period	-	28,455,780	28,455,780
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	28,455,780	28,455,780
Balance as at December 31, 2014	50,000,000	28,455,780	78,455,780

	Participant Takaful Fund		
	Ceded Money	Accumulated Surplus	Total
	-----Rupees-----		
Balance as at the beginning of the period	-	-	-
Waqf Money	500,000	-	500,000
Surplus for the period	-	941,108	941,108
Balance as at December 31, 2014	500,000	941,108	1,441,108



Mohammed Rahat Sadiq
Chief Executive Officer



Huma Waheed
Director



Khawas Khan Niazi
Director/President



Ch. Habib-ur-Rehman
Chairman

Window Takaful Operations

Statement of Cash Flows

For the period ended December 31, 2014

	2014 Rupees
Operating cash flows:	
a) Operating activities:	
Contribution received	54,630,961
Retakaful contribution paid	(7,820,164)
Claims paid	(3,764,863)
Retakaful and other recoveries received / (Paid)	(19,575,145)
Commission paid	(10,296,228)
Retakaful rebate received	4,661,192
Net cash flow from underwriting activities	17,835,753
b) Other operating activities:	
General management expenses paid	(2,310,515)
Other operating receipts/(payments)	(1,197,856)
Net cash flow from other operating activities	(3,508,371)
Total cash flow from all operating activities	14,327,382
Investment activities:	
Sale/(Purchase) of investment	(464,000)
Fixed capital expenditure	(3,314,538)
Net cash flow from investing activities	(3,778,538)
Financing activities:	
Statutory reserve	50,000,000
Ceded money	500,000
Net cash flow from financing activities	50,500,000
Net cash inflow from all activities	61,048,844
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	61,048,844
Reconciliation of profit and loss account	
Net cash flow from operating activities	14,327,382
Depreciation	(94,939)
Increase/(Decrease) in Assets other than cash	126,433,543
(Increase)/Decrease in Liabilities	(111,269,097)
Profit for the period	29,396,888
Attributed to:	
Window takaful operator	28,455,780
Participant's takaful fund	941,108
	29,396,888
Definition of cash	
Cash for the purpose of the statement of cash flows comprises of cash in hand, bank balances and other assets which are readily convertible to cash and used for cash management for day to day business operations.	
Cash for the purpose of cash flows comprises of:	
Cash and other equivalents	
- cash in hand	12,448
Current and other accounts	
- bank balances	61,036,396
	61,048,844


Mohammed Rahat Sadiq
 Chief Executive Officer


Huma Waheed
 Director


Khawas Khan Niazi
 Director/President


Ch. Habib-ur-Rehman
 Chairman

Window Takaful Operations
Statement of Contributions

For the period ended December 31, 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Contributions written	Wakala fee	Net contribution	Unearned contribution reserve		Contribution earned	Re-takaful ceded	Prepaid re-takaful contribution		Re-takaful expense	Net contribution revenue 2014
				Opening	Closing			Opening	Closing		
----- Rupees -----											
Direct & facultative											
Fire and property damage	9,657,162	3,862,862	5,794,300	-	5,424,852	369,448	2,101,513	-	1,967,519	133,994	235,454
Marine, aviation and transport	7,974,261	3,180,404	4,793,857	-	4,572,657	221,200	473,464	-	451,613	21,851	199,349
Motor	9,953,147	3,971,735	5,981,412	-	5,550,970	430,442	1,657,819	-	1,539,808	118,011	312,432
Health and Miscellaneous	96,142,905	38,666,128	57,476,777	-	53,363,951	4,112,826	20,615,641	-	19,142,694	1,472,947	2,639,879
Total	123,727,475	49,681,129	74,046,346	-	68,912,430	5,133,916	24,848,437	-	23,101,634	1,746,803	3,387,113



Mohammed Rahat Sadiq
 Chief Executive Officer



Huma Waheed
 Director



Khawas Khan Niazi
 Director/President



Ch. Habib-ur-Rehman
 Chairman

Window Takaful Operations
Statement of Claims

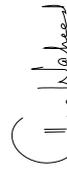
For the period ended December 31, 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Claims paid		Provision for outstanding claims		Claims expense	Re-takaful and other recoveries received	Re-takaful Recoveries in respect of outstanding claims		Re-takaful and other recoveries revenue	Net claims expenses 2014
	Opening	Closing	Opening	Closing			Opening	Closing		
-----Rupees-----										
Direct & facultative										
Fire and property damage	-	-	-	-	-	-	-	-	-	-
Marine, aviation and transport	-	-	1,000,000	1,000,000	1,000,000	-	-	773,414	773,414	226,586
Motor	28,110	-	65,000	93,110	93,110	-	-	12,500	12,500	80,610
Health and Miscellaneous	3,736,753	-	1,380,153	5,116,906	5,116,906	2,356,710	-	671,341	3,028,051	2,088,855
Total	3,764,863	-	2,445,153	6,210,016	6,210,016	2,356,710	-	1,457,255	3,813,965	2,396,051



Mohammed Rahat Sadiq
 Chief Executive Officer



Huma Waheed
 Director



Khawas Khan Niazi
 Director/President



Ch. Habib-ur-Rehman
 Chairman

Window Takaful Operations
Statement of Expenses

For the period ended December 31, 2014

BUSINESS UNDERWRITTEN INSIDE PAKISTAN

Class	Commission paid or payable		Deferred commission		Net commission expenses		Direct expenses	Underwriting Expenses	Rebate on re-takaful	Unearned retakaful rebate		Net rebate on re-takaful expense	Net takaful expense 2014
	Opening	Closing	Opening	Closing	Opening	Closing				Opening	Closing		
-----Rupees-----													
Direct & facultative													
Fire and property damage	1,984,411	-	1,859,441	124,970	37,078	162,048	420,022	-	398,242	26,780	135,267		
Marine, aviation and transport	1,555,615	-	1,484,206	71,409	30,617	102,025	109,878	-	104,807	5,071	96,955		
Motor	811,033	-	750,417	60,616	38,214	98,830	-	-	-	-	98,830		
Health and Miscellaneous	5,945,169	-	5,554,365	390,804	369,133	759,937	4,131,292	-	3,794,165	337,127	422,810		
Total	10,296,228	-	9,648,429	647,799	475,042	1,122,841	4,661,192	-	4,292,214	368,978	753,862		



Mohammed Rahat Sadiq
 Chief Executive Officer



Huma Waheed
 Director



Khawas Khan Niazi
 Director/President



Ch. Habib-ur-Rehman
 Chairman

NOTICE OF
ANNUAL GENERAL
MEETING 2014

Notice of 55th Annual General Meeting

Notice is hereby given that 55th Annual General Meeting of the Company will be held in Royal Palm Golf & Country Club, 52, Canal Bank Road, Lahore on Monday the April 13, 2015 at 11.00 am to transact the following business:

ORDINARY BUSINESS:

- 1) To confirm the minutes of 12th Extra Ordinary General Meeting held on December 26, 2014.
- 2) To receive, consider and adopt Company's Audited Accounts together with Directors' and Auditors Reports thereon for the year ended December 31, 2014.
- 3) To consider and approve as recommended by the Board of Directors to issue bonus shares @ 40% in proportion of 40 shares for every 100 shares held by the Company's members.
- 4) To appoint External Auditors for Financial Year 2015 and to fix their remuneration. Audit committee has recommended appointment M/s. Avas Hyder Liaquat Nauman, Chartered Accountants, Lahore. Retiring Auditors M/s. Avas Hyder Liaquat Nauman, Chartered Accountants, being eligible, have offered themselves for re-appointment as Company's External Auditors for the year 2015.
- 5) To elect Seven (7) Directors of the Company as fixed by the Board in accordance with Section 178 (1) of the Companies Ordinance, 1984 for a term of three (3) years commencing from May 01, 2015. The names of the retiring Directors who are eligible for re-election are given below:
 1. Mr. Ch. Habib-ur-Rehman
 2. Mr. Khawas Khan Niazi
 3. Mr. Muhammad Rahat Sadiq
 4. Ms. Huma Waheed
 5. Mr. Najeeb-ur-Rehman
 6. Mr. Ch. Maqsood Ahmed
 7. Mr. Aziz-ur-Rehman
- 6) To transact any other ordinary business as may be placed before the meeting with the permission of the Chair.

SPECIAL BUSINESS:

- 7) To consider and approve the remuneration as

recommended by the Board payable to the working Directors and fee to the non-executive /independent Directors of the Company during the year 2015 and to pass the following resolution as a special resolution:-

Resolved that the remuneration payable to working Directors and fee for non-working/independent Directors of the Company for the year 2015 as recommended by the Board be and is hereby approved.

- 8) To approve capitalization for the issue of Bonus Shares (B-20) and to pass with or without modification the following resolutions as Ordinary Resolutions:-

Resolved that;

- a) the sum of Rs.368,000,000/= out of the profits available for appropriation as at December 31, 2014 be capitalized and adopted to the issue of ordinary shares of Rs.10 each allotted as fully paid Bonus Shares (B-20) @ 40% in the proportion of 40 share for every 100 shares held to Company's members whose names appear on the register of members as at close of business on .
- b) the Bonus shares shall rank pari passu in all respects with the existing shares.
- c) the members entitled to fraction of their share(s) shall be given sale proceeds of their fractional entitlement, for which purpose the fraction(s) shall be consolidated into whole share and sold in the stock market.
- d) the Company Secretary be and is hereby authorized and empowered to give effect to these resolutions and to do or cause to be done all acts, deeds and things that may be necessary or required for issue , allotment and distribution of Bonus Shares.

Date: March 20, 2015
Karachi

By order of the Board

(Z.H.Zuberi)
Company Secretary

Notice of the 55th Annual General Meeting

Notes:

- 1) Any person who seeks to contest the election of Director shall file with the Company at its Registered Office not later than Fourteen (14) days before the date of the meeting of his/her intention to offer him/herself for the election of Directors in terms of Section 178 (3) of the Companies Ordinance 1984.
- 2) a. The Share Transfer Books of the Company will remain closed from April 07, 2015 to April 13, 2015 (both days inclusive). Transfers received at Company's Registered Office at Karachi by the close of business on April 06, 2015 will be treated as being in time for the purpose to determine entitlement to Bonus Shares and to attend the meeting.
 - b. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a Proxy to attend and vote instead of him/her. A Corporation or a Company being a member of the Company may appoint any of its officers, though not a member of the Company.
 - c. Proxies, in order to be effective, must be received by the Company at its Registered Office 204, Madina City Mall, Abdullah Haroon Road, Karachi not less than 48 hours before the Meeting.
 - d. Members are requested to immediately notify any change in their addresses.
 - e. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
 - f. In pursuance with the Securities & Exchange Commission of Pakistan (SECP) notification No. SRO 779(1)/2011 dated August 18, 2011 and SRO. 831 (1)/2012 dated July 05, 2012, the shareholders possessing physical shareholdings are requested to immediately send a copy of their Computerized National Identity Card (CNIC) to our Registrar Office, F.D. Registrar Services (SMC-Pvt) Limited, 1705, 17th Floor, Saima Trade Tower-A, I.I.Chundrigar Road, Karachi-74000. In case of non-receipt of the copy of valid CNIC and non-compliance of the above requirement, the Company will be constrained to withhold dispatch of Bonus Shares to such shareholders. Corporate entities are also requested to submit their NTN at the address of our Registrar as given above.

A) FOR ATTENDING THE MEETING:

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his / her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) The shareholders registered on CDC are also requested to bring their particulars, I.D numbers and account numbers in CDS.
- iii) In case of corporate entity, the Board of Directors' resolution/power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

B) FOR APPOINTMENT OF PROXIES:

- i) In case of individual, the account holder or sub account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per requirement notified by the Company.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity being a Member, the Board of Directors' resolution / power of attorney with specimen signature of the nominee / attorney shall have to be submitted (unless it has been provided earlier) along with the proxy form to the Company.

STATEMENT U/S 160(1) (B) & (C) OF THE COMPANIES ORDINANCE 1984

1. Bonus issue will be governed by rules and regulations.
2. The Directors being satisfied with the reserves and profits of the Company as at December 31, 2014 have recommended issue of Bonus Shares. The Directors have no interest directly or indirectly except that they are members of the Company.

Proxy Form

The United Insurance Company Of Pakistan Limited
204, 2nd Floor, Madina City Mall, Abdullah Haroon Road, Saddar Karachi.

I / We _____ of _____
being a member of **The** United Insurance Company Of Pakistan Limited and a holder of _____
ordinary shares, as per Share Register Folio No. _____ and / or CDC Participant I.D. No. _____
and sub Account No. _____ hereby appoint _____
_____ of _____
or failing him/her (Name) _____ of _____
as my / our proxy to vote for me and on my / our behalf at the 55th Annual General Meeting of the company to
be held at Royal Palm Golf and Country Club 52, Canal Bank Road, on Monday the April 13, 2015 at 11:00 am
and at any adjournment thereof

Signed this _____ day of _____ 2015.

WITNESS:

1. Signature: _____

Name: _____

Address: _____

CNIC or Passport No: _____



Signature should agree with specimen
signature with the company

2. Signature: _____

Name: _____

Address: _____

CNIC or Passport No: _____

Note:

1. A member entitled to attend and vote at the meeting may appoint any other member as his/her proxy to attend the meeting and vote.
2. If a member is unable to attend the meeting, they may complete and sign this form and send it to the company secretary, the United Insurance company of Pakistan Limited and the register office # 204 Madina City Mall Abdullah Haroon Road, Saddar Bazar Karachi. so as to reach not less then 48 hours before the time appointed for holding the meeting.
3. For CDC Shareholders in addition to above the following requirments have to be met.
 - i) In case of individual, the account holder or sub account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per requirement notified by the Company.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
 - v) In case of corporate entity being a Member, the Board of Directors' resolution / power of attorney with specimen signature of the nominee / attorney shall have to be submitted (unless it has been provided earlier) along with the proxy form to the Company.

Affix Revenue
Stamp

The Company Secretary

The United Insurance Company of Pakistan Limited.
204, 2nd Floor, Madina City Mall,
Abdullah Haroon Road, Sadar Karachi.



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